



Daily Report

China

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NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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General

Article Assesses Developments in the Gulf

HK0312125890 Beijing RENMIN RIBAO in Chinese
2 Dec 90 p 6

["Roundup" by Zhu Mengkui (2612 1125 7608):
"Worldwide Attention on the Development of the Gulf
Situation"]

[Text] On 29 November the UN Security Council discussed the Gulf crisis and passed an important resolution specifying 15 January 1991 as the deadline for the Iraqi military pullout from Kuwait. If Iraq fails to do so, it allows for the adopting of "every necessary means" to force Iraq to do so, which in effect amounts to permission to use military action. The danger of a large-scale war triggered by the Gulf crisis is growing. On the other hand, undertakings to seek a way to resolve the crisis peacefully and to avoid a Gulf war have increased. Whether the Gulf crisis results in war or peace has caused concern and worry in the international community.

Since Iraq invaded and annexed Kuwait, the UN Security Council has passed a series of resolutions demanding that Iraq immediately and unconditionally withdraw its Army, and it has applied economic sanctions. But, Iraq has refused to carry out these resolutions, and has not indicated that it might pull its Army out from Kuwait. On 7 August the United States began the "Desert Shield" operation and dispatched a massive amount of troops to Saudi Arabia and the Gulf. Meanwhile, a few Western and Islamic countries also sent forces to the Gulf to be stationed there claiming the prevention of an invasion and the carrying out of economic sanctions. In early November the United States decided to send another 200,000 troops and a large number of advanced M-A1 heavy tanks to Saudi Arabia, increasing the total strength of the Western multi-national troops to some 530,000, and massing over 100 warships and 1,000 aircraft there. Iraq also announced it was adding 250,000 troops to Iraqi forces stationed in Kuwait to make it a total of 680,000. The U.S.-led Western multi-national troops have continually staged large-scale, live-ammunition combat exercises in Saudi and the Gulf. Moreover, key U.S. military and political officials have grown increasingly tough in their tone, repeatedly stressing driving Iraq out of Kuwait by force. Meanwhile, President Saddam Husayn of Iraq, not to give an impression of weakness, has continually met with high-ranking Iraqi generals, put Iraqi troops on heightened alert, and is ready to fight the U.S. Army "to death" in Kuwait. The Gulf situation is highly charged and likely to explode at any minute.

To avert a Gulf war, whose consequences would be unimaginable, the Arab world and international community have been making peace efforts in various aspects and through different channels. Over the last few months, leaders and delegates of many countries and

international organizations have visited Baghdad and other countries intimately related with the Gulf crisis, making proposal after proposal, plan after plan for a peaceful resolution of the Kuwait-Iraq dispute and Gulf crisis. Iraqi, Kuwaiti, and Saudi special envoys and delegates have been busy making visits to clarify their own stands, and probe ways and means for the earliest possible peaceful resolution of the Gulf crisis. In mid-November, during his Mideast tour, Chinese Foreign Minister Qian Qichen had in-depth discussions with Egyptian, Saudi, Jordanian, Iraqi, and Kuwaiti leaders on the Gulf, achieved a wide understanding of the attitudes of the parties involved, and reiterated the Chinese Government's consistent stand, that as long as there is still a chance or hope, we should not give up peace efforts.

The fundamental reason why peace efforts for a political solution of the Gulf crisis have so far had no breakthroughs, is the direct contrast between the stands of different sides. After Iraq invaded Kuwait, President Saddam made a package proposal which linked the Kuwaiti issue with the Palestinian issue, namely Iraq would withdraw from Kuwait if Israel pulled out its Army from the West Bank, the Gaza Strip, and southern Lebanon, and Syria from Lebanon; and on this basis there would be an international Mideast peace conference at which there would be a comprehensive solution of the Middle East problem. Countries like Palestine supported this proposal, while the United States, Egypt, and other Gulf countries insisted on an immediate Iraqi military pullout before anything else. In view of the worsening Gulf situation, Morocco proposed calling an emergency Arab summit meeting. But, owing to obvious divergences and doubts within the Arab world as to whether a summit meeting could achieve anything, the hope that the Gulf crisis could be peacefully resolved within the Arab world has been dashed.

More recently there have been demonstrations in countries such as Britain and the United States criticizing their governments for sending troops to the Gulf, opposing the war option, and calling for a peaceful resolution to the Gulf crisis. A few U.S. congressional leaders have also urged the government to consult with the Congress before any military action is undertaken against Iraq.

On the eve of the UN Security Council passing the latest resolution, Iraq strongly accused Western countries like the United States of making excuses to invade Iraq and requested dialogue with the United States. President Bush rejected the request saying talks could begin only after the troops were withdrawn. The latest news, however, reveals that President Bush has invited the Iraqi foreign minister to visit the United States in mid-December, and that he will send Secretary of State Baker to visit Iraq to seek a way to resolve the Gulf crisis with President Saddam. Iraq has expressed a conditional acceptance of President Bush's offer of a U.S.-Iraq direct dialogue.

At present, despite the growing danger of a war in the Gulf, the voice for a peaceful solution in the international community remains high, and the efforts to peacefully resolve the Gulf crisis continue.

Editorial on PRC Moves at UN Security Council

HK0412012590 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 2 Dec 90 p 12

[Editorial: "Crisis Brings China Back Into the Fold"]

[Text] United States President Mr George Bush's offer and Iraqi acceptance of diplomatic talks provides the first real window of opportunity for a peaceful settlement in the Gulf crisis. The offer came only a day after the United Nations Security Council adopted a U.S.-drafted resolution authorizing military action after January 15 unless Iraqi President Mr Saddam Husayn withdraws his forces from Kuwait and releases hundreds of hostages. Mr Bush's proposal to send Secretary of State Mr James Baker to Baghdad to talk with Mr Saddam and his own invitation for Iraqi Foreign Minister Mr Tariq Aziz to visit the White House this month suggests a negotiated settlement can be reached. The only alternative is war.

After months of posturing, the impetus for peace generated by Mr Bush will have to be seized immediately for it is apparent the international alliance arrayed against Iraq is not a bluff or another game of brinkmanship. Not only are the 400,000 soldiers deployed in Saudi Arabia poised to strike, but countries in the region and in the West are psychologically prepared for a bloody conflict.

In drafting its first "war" resolution in four decades—the last was in 1950 when the green light was given for the American entry into Korea—the UN has reached a painful verdict which will serve as a precedent for years to come. Having learned the lesson of Vietnam, the U.S. realises it cannot again stand against world and domestic opinion and must ensure the mission to redeem the sovereignty of Kuwait is a police action which carries no imperialist designs. This American sensitivity has been evinced by the whirlwind tours undertaken by Mr Bush, Mr Baker and the Defence Secretary, Mr Dick Cheney, to the Middle East and to Europe, the most controversial of which was a Geneva meeting with the Syrian President, Mr Hafez Assad, whose sponsorship of terrorism has earned him the antagonism of the American Congress.

The morality of the UN resolution—passed by a margin of 12 for and two against with China abstaining—and the means towards achieving it could never be clear cut. If force does come to be used in the Gulf, it will be a tacit admission that diplomacy will have failed on a grand scale. The prospect of innocent death that could result from this will weigh on the conscience of the Security Council which is seen as the custodian of international order and the symbol of goodwill. Because of these implications, Mr Bush is right to seek this opportunity to

negotiate before the January 15 deadline set by the UN for Iraq to withdraw its forces from Kuwait.

China's decision [to] withhold support from the Security Council must come as a disappointment to Mr Bush who has assiduously courted many leaders to convey the picture of international solidarity. Its abstention, though, should not come as a surprise given China's traditional insistence on diplomatic independence, a role it has played in one guise or another since the Bandung conference of 1955. By declining to be drawn into the alliance against Iraq and yet by perfunctorily deploring the destruction of Kuwait, China can appear to be impartial to all Arab nations and also appeal to those Third World countries in search of a powerful champion.

Despite the cajolery from Mr Baker who has been invited to call on China soon to symbolise a full resumption of diplomatic ties and a long conversation with the Soviet Foreign Minister, Mr Eduard Shevardnadze in Xinjiang, the Chinese Foreign Minister, Mr Qian Qichen, has adroitly kept his distance from their joint strategy against Iraq and thus improved his country's political leverage. A ready concession to other Security Council members might gain the gratitude from the other powers but it also would restrict China's room for manoeuvre and reduce its international profile. By not committing itself readily to the popular course and yet by not thwarting the alliance, China is in a position to trumpet its uniqueness and to induce the U.S. to make further concessions for any future agreement.

This stance has begun to collect China handsome rewards as the U.S. State Department manipulates semantics to justify the new entente with China without at the same time admitting to Congress (still intent on applying sanctions) that the policy of isolating and punishing the Beijing government has been abandoned. Mr Baker's visit to Beijing will be a crowning achievement. Human rights advocates are bound to abhor such a gratuitous shift in American relations with China and will be quick to voice an earlier complaint that Mr Bush is partial towards Beijing, even though it has not ceased the persecution of its dissidents, aside from releasing some political prisoners and opening a Tibetan jail for foreign inspection last month.

Whether China has done enough to placate Western liberals is no longer a primary concern for the American executive branch or for the European Community, which has followed Britain's lead by resuming diplomatic ties. The sheer size and the political clout of China—plus its ability to obstruct—have rendered punitive trade and symbolic diplomatic sanctions virtually meaningless in the UN corridors where hypocrisy abounds even at the best of times.

The Chinese Government has transformed the Gulf crisis into a springboard for its dramatic plunge into the international pool of diplomatic relations. As long as the U.S. needs Chinese approval to effect the often postponed settlement in Cambodia, their implicit support in

pressuring Iraq and their general consent in its own plan to extricate its military gradually from Asia, it appears prepared to make compromises to its policies, if not also principles, towards Beijing. Now that the U.S., Britain and Japan have invited China back to the diplomatic fold, the time has come for the Beijing government to prove that it is prepared to take up its responsibilities.

China Seeks Active Role in Trade Negotiations

HK0312031290 Beijing CHINA DAILY (BUSINESS WEEKLY SUPPLEMENT) in English 3 Dec 90 p 1

[By staff reporter Qu Yingpu]

[Text] China pledged to play an active role in the multilateral trade negotiations scheduled to begin in Brussels on Monday, in the hope that "substantial and balanced" results acceptable to both developed and development countries may come out of these talks.

"These results will be a cornerstone for further world trade growth in the 1990s and beyond," Vice-Foreign Trade Minister Shen Jueren told BUSINESS WEEKLY before he left Beijing for Brussels on Friday.

Shen is leading a Chinese delegation to attend the ministerial meeting of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) in the Belgian capital from December 3 to 7.

"We will work closely with other delegations to make the negotiations a success," Shen said.

As a developing country, China expects the talks to have a positive impact on its efforts in the 1990s to carry out further reforms and boost foreign economic relations and trade, he said.

China has been a full participant of the Uruguay Round of GATT talks ever since they were launched in 1986. This round of talks seeks to conclude far-reaching accords to liberalize trade in 15 sectors including agricultural products, textiles, intellectual property rights, investment and service trade.

Shen also attended the ministerial meeting that started this round of negotiations in Uruguay in September 1986, and the mid-term ministerial session in Montreal, Canada, in 1988.

China has a say in the policy of free service trade at the Brussels meeting and may also be helpful in drafting guidelines on intellectual property rights, because service trade and some of the copyright issues are not yet under GATT rules. Service trade includes transportation, telecommunications, tourism and financial services.

China's voice on textile trade issues is also influential since it is a member of the international Multi-Fibre Agreement, the analyst said.

Industrialized and developing countries have not been able to agree on most of the issues relating to policy guidelines in the 15 sectors in the years to come.

For instance, the industrialized nations ask for higher protection of intellectual property rights in the developing countries, but the developing countries argue that such protection requirements are already too strict in those countries whose economic development is not at the same level with that of the industrialized nations.

On the other hand, the developing countries want the industrialized nations to tear down barriers blocking textile goods originating in the developing countries.

The analyst said the Chinese delegation is expected to raise its voice against unacceptable sacrifices on the side of the developing countries.

Meanwhile, according to reports from Europe, the farm subsidies issue is expected to be a major obstacle to an overall GATT agreement in Brussels.

Led by France, the European Community has resisted efforts by the United States and the Cairns Group of 14 farm exporting nations to make radical changes in the EC's common agricultural policy.

French Agriculture Minister Louis Mermeas was quoted as saying a huge demonstration in Brussels could help fend off calls for deep cuts in farm subsidies.

The French National Farmers' Union warned that more than 30,000 farmers from the EC, North and South America, Japan and some developing countries were expected to demonstrate against subsidy cuts in Brussels on the opening day of the GATT meeting.

The United States and the Cairns Group want a 75 percent cut in EC internal farm subsidies and a 90 percent reduction in export subsidies, while the EC would not modify its offer of a 30 percent reduction in subsidies to meet the demands for deeper cuts.

The crisis in farm talks, coupled with a deadlock in other areas, including attempts to reduce import tariffs and restrictions on trade in textiles, could torpedo the Uruguay Round, a four-year effort of more than 100 countries and regions to liberalize world trade, the report said.

Development of Radar-invisible Aircraft Viewed

HK2711011190 Beijing JIEFANGJUN BAO in Chinese 9 Nov 90 p 3

[Article by Dong Wenxian (5516 2429 0341): "The Trend of Military Aircraft Becoming More Radar Invisible and its Impact"]

[Text] In recent years, the U.S. Air Force has deployed several types of radar invisible warplanes. Particularly since the successful use of F-117A radar invisible reconnaissance-fighter planes in dropping bombs during the

invasion of Panama last year, a great deal of interest has been aroused in military circles in various countries. The invention and use of radar invisible aircraft has a profound impact in the military field. A more visible fact has become apparent: Military aviation is developing in the direction of radar invisibility.

New Stage of Development of Military Aviation

Aircraft have been used for military purpose for 80 years. Based on the external structure, power installation, materials used, and weapon systems, it seems that, up to now, the development of military aviation can be divided into four stages: The stage of piston aircraft; the stage of jet aircraft with nuclear weapons; the stage of aircraft with precisely controlled and guided weapons; and the stage of radar invisible aircraft. For each step forward, there is a corresponding historical stage of scientific and technological development characterized by some technologies and tactics, as well as a qualitative leap in combat effectiveness.

The advent of radar invisible aircraft is a result of the achievement in radar absorbing technology, which has been extensively applied to various types of aircraft. According to information, the U.S. Air Force has some aircraft which are radar absorbing. For example, the radar reflecting surface of the B-1B strategic bombers is two orders of magnitude smaller than that of B-52 and is only half that of the small Cessna aircraft flown by Mathias Rust, the West German youth, into Moscow's Red Square; the radar absorbing capability of the B-2 strategic bomber is twice that of the B-1B; the Advanced Tactical Fighter [ATF], which will become operational in the mid-1990's, is an advanced tactical fighter plane which is undetectable across the complete frequency spectrum; the F-117A, used in the invasion of Panama, has a radar reflecting surface of 0.001 to 0.01 square meters and, even though "Panama's air surveillance radar system was on high alert day and night," "nothing was detected."

At present, the United States has already used radar absorbing technology extensively in aircraft which perform various roles such as surveillance, bombing, and combat, as well as the attack aircraft on carriers. A certain wing has been equipped with F-117A and more than 90 B-1B have been deployed, while the deployment of B-2 has also begun. In addition, the radar absorbing technology has already been applied to helicopters, remote controlled flying objects, airborne cruise missiles, and air-to-surface guided missile, or will be applied later on. This indicates that the whole military aviation field will develop in the direction of radar invisibility.

Many countries are stepping up their efforts to develop radar absorbing technology. The Soviet Union has already used the compound materials capable of absorbing radar to build a certain number of fighter planes and strategic transport planes, and is trying to build a fighter-bomber resembling the ATF built by the United States. The aircraft and "gust" [zhenfeng 7109

7364] fighters manufactured by the West European countries, and the FSX fighter-bomber jointly manufactured by the United States and Japan, have all used radar absorbing technology. The F-16C/D fighter planes built by the United States for the Dutch Royal Air Force, has added radar absorbing capacity. By the next century, some developed countries will have equipped themselves with a certain number of radar absorbing aircraft.

At present, the United States, which takes the lead in radar absorbing technology, is trying to improve the external shape of the aircraft and use the materials which can absorb or transmit electromagnetic waves, and engines and fuel with low heat radiation, to overcome the shortcomings of the first-generation radar invisible aircraft, to reduce the overall probability of being detected by the enemy's radar or other detection devices. For this purpose, the United States plans to invest \$160 billion in the project in the next 10 years, to ensure that by the next century it will have some 200 radar invisible bombers, some 3,000 radar invisible cruise missiles, and 2,100 to 2,200 radar invisible fighter planes. That is to say, by then, invisible aircraft will become the main U.S. warplane.

Radar invisibility and anti-invisibility radar will inevitably exist as opposites and will develop in struggle. From a long-term point of view, anti-invisibility radars of various kinds and based on various principles, will appear. The development of the "shield," however, is usually one phase slower than the development of the "spear." Furthermore, anti-invisibility radar can be successfully developed and used to replace most of the current radars and to form an effective anti-invisibility air defense system, but huge amount of funds is necessary. The U.S. Air Force estimates that for every \$1 spent on the B-1 aircraft, the defense side has to spend \$6 to improve its defense capability. Here we can see that, for a long period to come, radar invisible aircraft will have a dominant position in air combat; we should never take this point lightly.

Air Attack and Air Defense Will Experience Various Changes

The use of a large number of radar invisible aircraft will make most current radars blind; the military domain, and in particular air strike and air defense, will experience necessary and corresponding changes.

In the 1920's and 1930's, before radar was invented, the air force combat style was mainly attack. The invention of radar enabled air defense to greatly improve effectiveness and air defense combat began to have offensive and strategic significance, while the construction of the air force and its combat styles paid more attention to both attack and defense. Because of the extensive use of radar invisible aircraft, various radars for surveillance, guidance, navigation, and fire control will lose their functions. These very costly and powerful air defense weapons will resemble a blindfolded boxer who does not know in which direction to punch. The evolution of the

status of air attack and air defense cannot be separated from the principle of negating the negated. The stage of radar invisible aircraft resembles the situation in the 1920's and the 1930's, when air strike had decisive significance while air defense had a limited effectiveness. The attack theory proposed by Duke and William Mitchell will become popular again.

In this stage of air strike, the following changes will probably take place:

First, the elements of air power and its offensive and combat pattern will be adjusted. In the past, for the sake of paralyzing the enemy's air defense system, the attacking side would usually use 20 percent of its air power and electronic warfare, prior to a surprise attack. In order to resist the air strike by the attacking side, fighter planes would usually be arranged into ranks to give direct or indirect protection. The use of radar invisible aircraft reduces the role of electronic warfare and of the protecting aircraft, as well as their quantity, and even brings about a pattern whereby radar invisible aircraft in surprise attacks act independently.

Second, the size of the force for surprise attacks will diminish. Alongside the use of the accurately guided weapons carried by aircraft, the combat effectiveness of aircraft for surprise attacks increases tremendously. The use of radar invisible aircraft for surprise attacks strengthens this trend. A model experiment overseas indicates that for the same level of destruction caused to the targets with same air defense arrangements, the price paid by radar invisible aircraft is 80 percent less than visible ones. Therefore, when the targets have same conditions, the size of the force sent for surprise attacks will decrease.

Third, the outbound and inbound flight paths of surprise attack aircraft will return to medium or high altitude. Since World War II, tactical and strategic aircraft, in order to use the blind area of the enemy's radar to remain undetected, would descend from medium and high altitude to low or even super-low altitude. This method has proved effective but the price is also high: The number of cases of crashing into obstacles on ground increases; the probability of survival decreases; a huge amount of money and materials must be spent on training; a lot of fuel is used, greatly reducing endurance and the radius of combat activity; and the flying speed must also be limited. The use of radar invisible aircraft solves the problem of being detected by radar once and for all and enables aircraft to fly a more horizontal path and return to medium or high altitude.

The abovementioned changes in air strikes will inevitably lead to changes in air defense. We can predict the following: Because the radars installed on ground and carried by aircraft will lose their function, the command and control organs will have more difficulty in selecting and distributing targets and in guiding the attack, while aircraft themselves will find it more difficult to carry out medium- and long-range attack missions and pilots must

rely on their own eyes to discover targets and to attack them. The fighter plane tactics might return to the old era of short-range air combat and the status of eyesight and optical observation, and of aiming systems, rises again. The land-based observation and monitoring circles (networks) used for air defense during World War II, and the optical guidance systems, will play their part again. As for command style, due to the difficulty in promptly grasping the situation of combat in the vastness of the sky, only central coordinated control can be practiced, carving out responsible areas and decentralizing command.

The Construction of Air Defense Strength Faces New Choices

Contemporary military strategy mainly includes two parts: Real combat and deterrent. It relies on strong military strength as a basis and, in particular, on the "three-in-one" strategic air-strike strength. The "trust to chance and windfalls" style of air defense today can hardly weaken the enemy's air-striking strength; only an integration of attack and defense makes grasping the initiative possible. Therefore, when paying attention to defending against airborne troops, missiles, and aircraft, many countries also see offensive strategies, tactics, and campaigns as constituting a more or less important part of their efforts in air defense. At present, the strategic balance between the big powers is mainly the status quo of strategic air-strike strength and air defense systems. The radar invisible aircraft, which have superb ability to break through defenses, can greatly reduce the effectiveness of the current air defense systems, whereas the air defense system aimed at defending against radar invisible aircraft cannot be built in the near future. In this way, the one who takes the lead in radar absorbing technology and who has strong ability to use radar invisible aircraft for a surprise attack, will possibly acquire strategic superiority due to possessing this "super-heavyweight."

It is not easy for radar invisible aircraft to be undetectable across the complete frequency spectrum. Whether an aircraft needs complete radar invisibility, or whether it can be totally radar invisible, is still debatable and has yet to be proved. The fatal challenge posed by radar invisible aircraft to the current air defense systems, however, has already become a grim reality. It forces the countries which neither have radar invisible aircraft nor an antiradar-invisibility ability to make the following judgment and choice: What are the prospects for using and developing radar invisible aircraft? Will the current air defense systems become a deaf ear within the next 10 or 20 years? Faced with the trend of either developing radar invisible aircraft or antiradar-invisibility facilities, which choice is appropriate?

PRC Oil Machinery Enters World Market

OW241111690 Beijing XINHUA in English
0920 GMT 24 Nov 90

[Text] Beijing, November 24 (XINHUA)—Lanzhou Petroleum and Chemical Machinery Works in northwest

China, one of the biggest of its kind in the country, has exported petrol machinery and drilling equipment to a number of countries including the United States, India and the Philippines.

Li Wenxue, director of the plant said here Friday that the total export volume of his plant this year is expected to reach 4.5 million U.S. dollars-worth.

He said during the past ten years, the plant allotted 40 percent of its profits for technical innovation programs, laying a solid foundation for gaining international licenses including those of ASME [American Society of Mechanical Engineers] and API [American Petroleum Institute] of the United States, and entrance into the world market.

The plant has participated in a score of international biddings for petroleum and chemical equipment, and won four major ones, earning over four million U.S. dollars altogether.

The plant's annual exports are expected to reach ten million U.S. dollars in five years, the director said.

Official on Management at International Forum

*OW2911200990 Beijing XINHUA in English
1603 GMT 29 Nov 90*

[Text] Changsha, November 29 (XINHUA)—China will continue to co-operate with foreign countries, international organizations and corporations in training management personnel for enterprises.

An official from the State Commission for Restructuring the Economy (SCRE) made these remarks during a meeting opened here today.

The focus of the three-day international enterprises management training symposium is on the style of co-operative training and the use of training facilities. Over 30 people including diplomats and experts from the European Economic Community, the Netherlands, Canada and Australia, as well as experts from the SCRE and some provinces, cities and colleges in China attended the symposium.

In recent years the SCRE has co-operated with the United States, Canada, Japan, Britain, Germany, the European Economic Community, the World Bank and has established 21 management training programs. It has trained over 5,000 leading cadres in Chinese economics and enterprises, and 4,800 professional teachers. Ten new management subjects including marketing, business strategy and capital assessment are now being taught using new teaching methodology, such as case and item analysis.

As a result of the co-operation accords over 1,100 senior management personnel, including college teachers and factory directors or managers, have been sent to inspect and study advanced enterprise management expertise in developed Western countries.

At present China has over 400,000 industrial enterprises and increasing numbers of enterprises are seeking more profits from the least possible investment. Management personnel trained through co-operative endeavors with foreign countries and international organizations have helped many enterprises in China obtain high economic efficiency.

International Packaging Exhibition Opens

*OW2711184290 Beijing XINHUA in English
1436 GMT 27 Nov 90*

[Text] Beijing, November 27 (XINHUA)—The '90 international packaging technology exhibition opened here today.

About 60 firms from a dozen countries and regions including France, the United States, Germany, Japan, Hong Kong, Taiwan are taking part in the show. Packaging materials, products, machinery, decorations, printing machines, testing equipment and meters are on display in the 3,000 square meter exhibition area.

China has more than 30,000 paper, plastic, metal and glass packaging displays at the show.

Qiu Chunfu, president of the China Packaging Technology Association, said China's exhibition scale is the largest in the past ten years.

He said that the exhibition will help China introduce foreign advanced equipment.

It was reported that five seminars will be held during the seven-day exhibition.

International Plastic, Rubber Industry Exhibit

*OW2811120590 Beijing XINHUA in English
1124 GMT 28 Nov 90*

[Text] Beijing, November 28 (XINHUA)—An international exhibition on plastics and rubber industry opened here today.

More than 300 companies and factories from 18 countries and regions will display various equipment used in the plastics and rubber industries at the five-day exhibition.

The exhibition is jointly organized by the China Council for the Promotion of International Trade, the China International Exhibition Center, Ministries of Chemical Industry and Light Industry and the China National Petro-chemical Corporation.

Filmmaking Exhibition Draws International Interest

OW2711082190 Beijing XINHUA in English
0758 GMT 27 Nov 90

[Text] Beijing, November 27 (XINHUA)—The current Beijing International Exhibition of Broadcast, Television, Film and Audio-Visual Equipment has drawn participants from 200 firms in 16 countries and regions.

On show at the five-day exhibition which opened Monday, is video-recording, film making, projection, and live telecast equipment.

At the opening ceremony, Cui Yushan, vice president of the China Council for the Promotion of International Trade, said that in the past ten years, China has imported a lot of audio-visual equipment from foreign countries and regions. He added that the advanced technology has promoted the development of China's mass media and film trades.

Cui believed that this exhibition will be conducive to promotion of technological exchanges between Chinese radio, television and film experts and their foreign counterparts.

Chinese Mineral Water Wins International Award

OW2511165490 Beijing XINHUA in English
1554 GMT 25 Nov 90

[Text] Beijing, November 25 (XINHUA)—The Biyun-dong (Green-Cloud Cave) brand mineral water has become China's first such product to have won an international award, it was announced here Sunday.

In an international conference for selecting quality products held in Belgium last September, the mineral water from east China's Shandong Province was awarded the gold prize.

And a company producing the mineral water has reached an agreement with an Australian firm for establishing a 2.5 million-dollar joint venture. The annual produce is to be expanded to 10,000 tons.

The mineral water was one of the official products of the Beijing Asian Games and the official drinks of the Chinese delegation for the 16-day games. It was also awarded with a national prize earlier this year.

United States & Canada

Further Reportage on Qian Qichen's U.S. Visit

Holds Talks With Baker

HK0312120290 Beijing RENMIN RIBAO in Chinese
2 Dec 90 p 6

[Dispatch by reporters Zhang Qixin (1728 0796 2500) and Cang Lide (0221 4539 1795): "Secretary of State Baker and Foreign Minister Qian Qichen Hold Discussions"]

[Text] Washington, 30 Nov (RENMIN RIBAO)—Visiting Chinese Foreign Minister Qian Qichen and U.S. Secretary of State James Baker held talks this morning. Both said that they would make joint efforts to push forward the normalization and development of U.S.-Chinese relations, and for this purpose, more official exchanges and contacts should be carried out.

Qian Qichen and Baker exchanged views on Sino-U.S. bilateral relations, the Gulf crisis, the Cambodian question, and other important world issues of common concern; the discussions were conducted in a friendly and candid atmosphere. They agreed that Under Secretary of State Reginald Bartholemew and Assistant Secretary of State Richard Schifter will visit China in the near future.

Baker held a lunch party for Qian Qichen and his entourage in the wake of the talks. Attending the meeting and the lunch party thereafter were also U.S. National Security Adviser Brent Scowcroft and Deputy Secretary of State Lawrence S. Eagleburger.

It was learned that Foreign Minister Qian Qichen met with U.S. Secretary of Commerce Robert A. Mosbacher, Senate Republican leader Bob Dole and several congressmen including Stepen J. Solarz, Tom Lantos, and Jim Leach.

Meets With Bush

HK0312114790 Beijing RENMIN RIBAO in Chinese
2 Dec 90 p 6

[Dispatch by reporters Zhang Qixin (1728 0796 2500) and Cang Lide (0221 4539 1795): "President Bush Meets Foreign Minister Qian—the Two Sides Hope the Visit Will Be Conducive to Improving Bilateral Relations"]

[Text] Washington, 30 Nov (RENMIN RIBAO)—U.S. President Bush met Chinese Foreign Minister Qian Qichen at the White House this afternoon, and held talks in a friendly and candid [tan shuai di 0982 3764 4104] atmosphere. The two sides expressed the hope that the current visit will help improve U.S.-Chinese relations.

Qian Qichen arrived here this morning for an official visit. President Bush extended his welcome to Foreign Minister Qian Qichen, saying that the United States attaches importance to his visit.

During the meeting, they agreed that the two countries have common interests on many issues, and thanks to efforts by both sides, U.S.-Chinese relations have been much improved recently. The two sides expressed the belief that although the two countries differ on certain issues, their relations will be back on a normal track through more contacts and further understanding of each other.

President Bush briefed Qian Qichen on the measures the United States will take to promote a peaceful solution to the Gulf crisis. Foreign Minister Qian said that on

international issues, the two nations have some differences but many views are identical, and they can continue cooperation in the future.

The meeting lasted about 45 minutes. Also attending the meeting were U.S. Secretary of State Baker; National Security Adviser Scowcroft; White House Chief of Staff Sununu; as well as Zhu Qizhen, Chinese ambassador to the United States; and Zhang Yijun, director of the Department of Affairs of North America and Oceania, who is accompanying Qian on the visit.

Qian Interviewed

HK0412035790 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 4 Dec 90 p 6

[Report by Zhang Qixin (1728 0796 2500) and Cang Lide (0221 4539 1795): "Qian Qichen Interviewed in Washington by Staff Reporters on Significance and Results of his Visit to the United States"]

[Text] Washington, [no date as received] (RENMIN RIBAO OVERSEAS EDITION)—Before concluding his official visit to the United States, Chinese Foreign Minister Qian Qichen gave an interview to RENMIN RIBAO OVERSEAS CHINESE reporters at the Madison Hotel in downtown Washington on the morning of 1 December. He answered questions raised by reporters on the significance and results of his current U.S. trip.

Question: We have noticed that your tour to the United States has taken place after the ministerial level meeting of the UN Security Council. Has the visit anything to do directly with the meeting?

Answer: I have paid an official visit to the United States at the invitation of U.S. Secretary of State James Baker. The timing was selected after the ministerial level meeting of the UN Security Council just for convenience. Timing is the only connection between the two. My current visit has nothing to do with our vote cast at the Security Council. In this regard, U.S. officials have also made the same statement.

Question: What is the significance of your current trip for the development of Sino-U.S. relations? What are the results?

Answer: In my opinion, the current visit is an event of great significance to Sino-U.S. relations because such a high-level visit is the first one since last summer. The purpose of the visit is to promote ties between the two countries. According to the U.S. side, contacts are not tantamount to exchanges. In my opinion, the purpose of contacts or exchanges is to increase mutual understanding. I don't see any difference between the two.

There have always been differences between China and the United States. Take the Gulf issue for example, both China and the United States hold identical views on the question that Iraq must withdraw from Kuwait as quickly as possible. Under current circumstances, however, our views differ from those of the United States on

whether a resolution should be adopted on the use of force. China holds that such an important question should be prudently handled without haste. On the U.S. side, they hold that such a resolution is necessary. There are also many common interests between China and the United States in international affairs. For example, as a permanent member of the UN Security Council, China's role in settling the Cambodian conflict, the Gulf crisis, and other major international issues should not be ignored. The U.S. side has also repeatedly stressed this point. When necessary, mutual coordination and cooperation between China and the United States will benefit both sides.

During my visit, I met with President Bush and Secretary of State Baker as well as many members of the Senate and House of Representatives including Dole, Pell, Solarz, Ridge, Bruntsdale, and Lantos. They all extended their welcome to my visit. We exchanged views extensively on issues of common concern, which helped increase mutual understanding. Meanwhile, both China and the United States have decided through consultations that Undersecretary of State Bartholomew and Assistant Secretary of State Richard Schifter will visit China, respectively.

Question: Have you discussed bilateral economic and trade relations with the U.S. side?

Answer: I discussed the question during my meeting with U.S. Secretary of Commerce Robert Mosbacher as Sino-U.S. economic and trade relations constitute an important factor in bilateral ties. China is the largest developing country while the United States is the largest developed nation. Economic and trade cooperation between the two countries has developed to a certain level and there are still latent potentials in this regard. Mr. Mosbacher expressed concern over the excessive U.S. deficits in U.S.-Chinese trade and the drop in U.S. exports to China. I pointed out that the actual situation was not completely the same as his statement and it was due to the different calculation method of the two sides. It is true that U.S. exports to China have dropped, which is the result of U.S. economic sanctions imposed against China. Meanwhile, the U.S. side has imposed too many restrictions on the transfer of high technologies. Gu Yongjiang, Chinese vice minister of foreign economy and trade, will pay a visit to the United States in the near future. I hope that officials of the two sides will hold serious discussions on the problems existing in bilateral economic and trade relations. The Sino-U.S. Mixed Economy and Trade Committee should also hold a meeting as early as possible.

Question: According to U.S. public opinion, the U.S. side mentioned the question of China's human rights issue during the meeting. Could you say something about that?

Answer: During my meetings with President Bush and Secretary of State Baker, it is true that the U.S. side touched upon that point. The United States has stressed

that human rights is the foundation of its foreign policies. We said that we respect the policies pursued by the United States, but the United States should also respect the independent foreign policies pursued by the Chinese side. China is also concerned about and attaches importance to the question of human rights, but the question of China's human rights is its internal affairs. On this question, China's position is different from that of the United States. The U.S. side is clear on this point and has stated that it will not interfere in China's internal affairs. As to the offenders tried by China's judicial organs, like other countries, China's courts examine and handle criminal cases independently in accordance with the legal procedure, in which no external forces have the right to meddle.

Terms Visit 'Successful'

*OW0412044090 Beijing XINHUA Domestic Service
in Chinese 1716 GMT 3 Dec 90*

[Text] Beijing, 3 Dec (XINHUA)—Chinese Foreign Minister Qian said here that his visit to the United States was "very successful" and he was "very satisfied."

Qian was back in Beijing this evening from the United States.

He made an official visit to the United States between November 30 to December 1 as guest of the U.S. Secretary of State James Baker. Before that he attended the ministerial meeting of the United Nations Security Council on the Gulf crisis on 29 November in New York.

He told reporters at the airport that during his visit in Washington D.C., "it was a very short visit. We discussed the development of Sino-U.S. relations" and the two sides agreed to take measures to increase contacts and exchanges in order to promote mutual understanding and development of Sino-U.S. relations.

In response to a question, the foreign minister said that China's abstention on the UN Security Council Resolution 678 "has no direct connection with the development of Sino-U.S. relations." He added that China cast the vote according to its own stance.

Commenting on President George Bush's decision of sending James Baker to Baghdad, Qian said that "It is a positive decision," adding that the United States and Iraq should have a dialogue.

'Pleased' With Results

*HK0412005790 Hong Kong SOUTH CHINA
MORNING POST in English 4 Dec 90 p 1*

[By Seth Faison in Beijing]

[Text] China's Foreign Minister, Mr Qian Qichen, said early this morning that he had agreed with American officials to increase both contacts and exchanges that would improve bilateral relations.

Mr Qian stopped short of saying that ties had been normalised during his three-day visit to the United States, but he was clearly pleased having with effectively broken the U.S. ban on high-level meetings that began in June last year.

"This visit to Washington was very successful and I'm very satisfied with it," Mr Qiao said after returning at midnight to Beijing.

Mr Qian said the Americans had expressed disappointment over China's abstention on the United Nations resolution to permit the use of force against Iraqi soldiers, but that they understood it.

He welcomed the decision by the President, Mr George Bush, to send Secretary of State, Mr James Baker, to Baghdad, calling it "a positive measure".

"It has always been our position that there should be some dialogue," he added.

Mr Qian also maintained that the UN Security Council vote was not directly connected to Sino-U.S. relations.

"China decides on its voting based on its own position, and I think all countries understand," he said.

While in Washington, Mr Qian invited Mr Baker to pay a return visit to Beijing, but Mr Baker's affirmative response was required by diplomatic protocol and he is not expected to visit soon.

Instead, it is more likely that the next visit U.S. official will be Assistant Secretary for Human Rights, Mr Richard Schifter, who attended Mr Qian's meeting with Mr Baker as an American gesture that it was concerned over human rights.

After Mr Bush met Mr Qian at the White House on Saturday, U.S. officials were quoted as saying Mr Bush wanted to avoid isolating China, but would not lift all U.S. sanctions until China improved its human rights record.

Mr Schifter will reportedly travel to China in the near future "to extend the dialogue on human rights and non-proliferation issues".

Briefs Reporters Upon Return

*HK0412025590 Beijing RENMIN RIBAO OVERSEAS
EDITION in Chinese 4 Dec 90 p 1*

[Report by He Chongyuan (0149 1504 0337) and Gu Yuqing (7357 3768 3237): "Qian Qichen Concludes His U.S. Visit, Returns to Beijing"]

[Text] Beijing, 4 Dec (RENMIN RIBAO)—Chinese Foreign Minister Qian Qichen returned to Beijing via Shanghai early this morning after concluding a formal visit to the United States.

Qian Qichen paid a formal visit to the United States from 30 November to 1 December at the invitation of

U.S. Secretary of State James Baker. Prior to this Qian Qichen attended a ministerial meeting held by the UN Security Council on 29 November to discuss the Gulf crisis.

Foreign Minister Qian Qichen answered reporters' questions at the airport.

A reporter asked: "Does your visit to the United States indicate the normalization of Sino-U.S. relations?"

Qian Qichen answered: "My visit to Washington was a success, I am quite satisfied. Although my visit was short, we discussed Sino-U.S. relations. Both sides agreed to take some measures to strengthen contacts and exchanges for the purpose of improving mutual understanding and pushing forward Sino-U.S. relations."

"Will China's abstention from the UN voting damage Sino-U.S. relations?" a reporter asked.

Qian Qichen answered: "As I see it, there is no direct connection between the voting and the development of bilateral relations. China decided its vote according to its stand."

A reporter asked: "What is your view on President Bush dispatching Secretary of State Baker to Baghdad?"

Qian Qichen answered: "President Bush is ready to send Secretary of State Baker to Baghdad. We deem it a positive move. We have always favored a dialogue."

Among those present at the airport welcoming Qian Qichen were Vice Foreign Minister Liu Huaqiu and Bering, U.S. charge d'affaires ad interim.

Beijing Calls on U.S. To Lift Sanctions

HK0212102290 Hong Kong AFP in English 1015 GMT 2 Dec 90

[Text] Beijing, Dec 2 (AFP)—China Sunday called for a quick end to U.S. economic and political sanctions following Foreign Minister Qian Qichen's Washington visit which put a de facto end to a ban on high level meetings, the CHINA DAILY said.

In its Sunday supplement, the newspaper quoted an unnamed official from the Ministry of Foreign Economic Relations and Trade as making the call to remove sanctions so as to improve bilateral relations.

The official added that the planned visit December 10 to 15 to Washington by a Chinese delegation headed by Deputy Trade Minister Gu Yongjiang should be a step towards improved ties, 18 months after the military crackdown in Beijing on the pro-democracy movement which led to the imposition of the sanctions. After Mr. Qian, Mr. Gu will be the second Beijing emissary to officially visit Washington, which has still not officially removed the ban on high-level exchanges.

Following his meetings late last week with U.S. President George Bush and Secretary of State James Baker, Mr.

Qian said relations had improved and that there would be further visits and meetings in the future.

While underlining differences between the two sides over human rights issues, Mr. Bush did thank Beijing for not vetoing the U.S.-sponsored United Nations Security Council resolution passed Thursday allowing the use of force against Iraq if it did not withdraw from Kuwait by January 15.

The U.S. State Department has also said visits to Beijing will be made in the near future by deputy secretary of state, Reginald Bartholomew, for talks on weapons non-proliferation and by Richard Schifter, assistant secretary of state for human rights.

The CHINA DAILY added that Mr. Gu would also ask Washington to remove sanctions on the export of technology to China.

'Roundup' on U.S. Reactions to Gulf Initiative

OW0212212390 Beijing XINHUA in English
1947 GMT 2 Dec 90

["Round-up: Bush's Gulf Initiative Meets With Mixed Reactions at Home"—XINHUA headline]

[Text] Washington, December 2 (XINHUA)—U.S. President George Bush's initiative on direct talks with Iraq on the Gulf crisis has met with mixed reactions at home.

Bush announced on Friday that he decided to send Secretary of State James Baker to Baghdad to talk with Iraqi President Saddam Husayn and invite Iraqi Foreign Minister Tariq 'Aziz to the White House in mid-December.

The announcement was made a day after the U.N. Security Council approved a resolution authorizing the use of force to expel Iraq from Kuwait if it does not withdraw by January 15, 1991.

Senate Majority Leader George Mitchell called Bush's initiative "a good idea," and House Speaker Thomas Foley said "It is an opportunity to express face-to-face to Saddam Husayn the commitment of the American people."

Senate Edward Kennedy said on Friday that Bush had done the right thing by "using yesterday's U.N. vote as an opportunity for diplomacy."

Why does President Bush not go ahead with that Baker goes to Baghdad to advise President Husayn to surrender without conditions when his country is sieged by the multinational forces and the United States wins the crisis without bloodshed, some lawmakers asked.

Judith Kipper, a Middle East scholar with the Brookings Institution, said "the United States has argued that any face-saving is a reward, and hence impermissible ... Now

Bush has come around, and I think he will have support approaching 100 percent if this fails and he decides he has to go to war."

THE WASHINGTON POST quoted an unnamed senior U.S. policy-maker as saying "You need two tracks. If you only have a military approach, you lose political support. And if you only have a political approach, it will be feckless."

However, one prominent figure, former Secretary of State, Henry Kissinger, expressed grave concern about Bush's decision. "I don't see how the President can fulfill the objectives he has set for himself by the methods he has chosen," he said Friday in an interview with ABC-TV networks.

"I think our negotiators will be in an extremely difficult position to maintain the goals that the President has put forward and...the U.N. has endorsed," Kissinger said.

"Not only the aggression is rewarded, but 400,000 Americans have appeared in an area and have left again without having achieved something that might probably have been achieved without such a huge display of military force," he noted.

Sino-U.S. Economic Cooperation Symposium Opens

*OW0312141990 Shanghai City Service in Mandarin
1000 GMT 3 Dec 90*

[Text] The four-day Third International Symposium on Sino-American Economic Cooperation opened in Shanghai today.

Fifty-two experts and scholars from China and the United States will jointly discuss the future prospects for Sino-American economic cooperation and other issues.

The symposium is jointly sponsored by the Asian Economic Research Committee of America and the Chinese Economist Committee. Discussion in this particular symposium will focus on reform in China's financial system, including the stock market, changes in China's rural economy, and prospects of China's and Shanghai's economic development.

Liu Guoguang, vice president of the Chinese Academy of Social Sciences; Mr. (Tuta), chairman of the Asian Economic Research Council of America; and leaders of the municipal people's government attended the symposium.

Soviet Union

Sino-Soviet Troop Reduction Talks Held

*HK0412050190 Beijing RENMIN RIBAO OVERSEAS
EDITION in Chinese 1 Dec 90 p 1*

[Report: "Second Round of the Second Stage of Sino-Soviet Troop Reduction Talks Begin in Beijing"]

[Text] Beijing, 30 Nov (XINHUA)—China and the Soviet Union started the second round of the second stage of talks here today to discuss the reduction of military forces on the Sino-Soviet borders.

The Soviet delegation, headed by G.V. Kireyev, arrived in Beijing on 29 November.

Liu Guangzhi, head of the Chinese delegation, and others met them at the airport.

Tomur Returns From Kazakhstan, Uzbekistan Visits

*OW0312014990 Urumqi Xinjiang Television Network
in Mandarin 1400 GMT 1 Dec 90*

[From the "Xinjiang News" program]

[Text] The Xinjiang Autonomous Regional Governmental delegation led by Tomur Dawamat, chairman of the autonomous regional government, returned to Urumqi in the evening of 30 November after successfully completing its official goodwill visits to the Soviet Kazakh and Uzbek Republics. [video shows Tomur Dawamat deplaning, being met by regional leaders]

Welcoming the returning delegation at the airport were autonomous regional party and government leaders, including Amudun Niyaz, Li Jiayu, Hederbai, Yusufu Muhanmode, and Fu Wen.

During the visit, the delegation and the host republics signed several documents, which included agreements on developing economic, scientific, technical, and cultural cooperation, as well as summarized minutes of the visit. This visit will have a positive stimulus on our regional economic development and opening to the outside world.

USSR Delegation Visits Heilongjiang

*SK0412061090 Harbin HEILONGJIANG RIBAO
in Chinese 27 Oct 90 p 1*

[By Yang Tianzhu (2799 1131 5511): "Sun Kuiwen Meets Soviet Guests"]

[Text] Provincial Vice Governor Sun Kuiwen met with a delegation from the Soviet Executive Committee of the Kuybyshevskiy Rayon of Moscow City led by its first vice chairman (Lushkin) at the Huayuancun Guesthouse at noon on 26 October.

Sun Kuiwen extended welcome to the Soviet guests on behalf of the provincial government, and held friendly talks with them.

Sun Kuiwen said: The Soviet Union has a fairly solid foundation for heavy industry, and Heilongjiang has achieved a fairly rapid development in light and textile industries. As countries rich in resources, China and the Soviet Union have great potential and bright prospects for their cooperation.

(Lushkin), leader of the delegation, said: The purpose of our visit is to understand the achievements of Heilongjiang's reform and its market situation. We hope that the economic and trade cooperation between our two sides will be further expanded on the basis of mutual benefit.

The delegation has come at the invitation of Li Hairu, general manager of the provincial township enterprise economic and trading company. It arrived in Harbin on 19 October.

Northeast Asia

Qiao Shi Meets Japanese Opposition Party Group

OW0412122590 Beijing XINHUA in English
1155 GMT 4 Dec 90

[Text] Beijing, December 4 (XINHUA)—Qiao Shi, a Standing Committee member of the Political Bureau of the Chinese Communist Party Central Committee, met with Takatoshi Fujita, vice-president of the Japan-China Special Committee of the Japanese Socialist Party and member of the House of Representatives, here today.

They exchanged views on Sino-Japanese relations and international issues of common interest.

The visitor and his party arrived here yesterday to study China's domestic and foreign policies and its economic situation.

Tian Jiyun Meets Japanese Trade Delegation

OW0112125290 Beijing XINHUA in English
1217 GMT 1 Dec 90

[Text] Beijing, December 1 (XINHUA)—Chinese Vice-Premier Tian Jiyun met here today with a delegation from the Japanese Association for the Promotion of International Trade (JAPIT).

During their cordial conversation, Tian briefed the delegation led by its acting head Shigeichi Koga, vice-president of the JAPIT, on China's economic situation, agriculture in particular.

Shandong Goodwill Delegation Returns From Japan

SK0212065490 Jinan Shandong Provincial Service in Mandarin 2300 GMT 30 Nov 90

[Text] The six-member Shandong Provincial goodwill delegation led by Lu Hong, vice chairman of the Shandong Provincial People's Congress Standing Committee, returned to Beijing [as heard] on 30 November after ending its visit to Wakayama Prefecture in Japan. During its stopover in Japan, the delegation paid an office visit to the Wakayama Prefectural Representative Assembly and to leaders of the prefectural departments concerned. It also visited and observed some plants and enterprises. Through this visit, the mutual understanding between Shandong Province and Wakayama

Prefecture has further strengthened, their relationship has become closer, and their mutual economic and trade exchanges and cooperation have been promoted.

Japanese Loans Used To Procure Steel Machinery

OW0212142090 Beijing XINHUA in English
1310 GMT 2 Dec 90

[Text] Beijing, December 2 (XINHUA)—A recent agreement will bring China 20 million U.S. dollars in commercial loans to expand its steel production.

The agreement was signed last month between four Japanese banks and China International Iron and Steel Investment Corporation (CSI), an organization specialized in absorbing foreign capital for the country's metallurgical investment.

It was learned that the loan, which will be repaid within eight years, was provided by the Dai-Ichi Kangyo Bank, the Fuji Bank, the Mitsui Taiyo Kobe Bank Ltd and the Sanwa Bank.

An official with CSI revealed that the loan will be used to buy second-hand equipment from Belgium to produce cold rolled steel strips at the Benxi Iron and Steel Corporation in northeast China's Liaoning Province. The equipment is expected to produce 700,000 tons of it each year.

According to the official, CSI is seeking other commercial loans and export credits to help the Benxi corporation to build a cold rolling mill within three years to complement its current hot rolled steel production.

Besides the Benxi project, the official said, another three projects have also been approved by the government to use foreign loans, which are expected to be in hundreds of millions of U.S. dollars.

CSI has borrowed 93.5 million in syndicated loans from overseas banks in the past two years for two steel plants in southwest China's Sichuan Province.

The four above-mentioned projects are expected to increase China's steel production capacity by at least four million tons a year and help alleviate the country's steel product shortage.

Although China now produces more than 60 million tons a year and expects to meet 80 million tons a year by 1995, the industry still faces uphill tasks to keep pace with the country's economic development.

Kang Keqing Meets Japanese Women's Delegation

OW0212140090 Beijing XINHUA in English
1108 GMT 2 Dec 90

[Text] Beijing, November 2 (XINHUA)—Kang Keqing, honorary president of the All-China Women's Federation, met with a women's delegation from Kanagawa, Japan, here this evening.

The 18-member delegation is led by Itoe Hamada, president, and Maki Kora, vice-president, of the Japan-China Friendship Women's Association of Kanagawa.

The meeting was followed by a dinner in honor of the delegation.

The visitors, who arrived here yesterday, will tour Beijing, Chengdu and Kunming.

Hebei Acting Governor Meets With Japanese Cuests

SK0412124990 Shijiazhuang HEBEI RIBAO
in Chinese 25 Oct 90 p 1

[Report by Wang Ning (3769 1337): "Cheng Weigao Meets With Japanese Guests"]

[Text] This evening, Cheng Weigao, acting provincial governor, met with (Hori Seisaku), president of the (Kyoku Kasei) Interantional Corporation of Japan, and his entourage. Cheng Weigao said: We have great potential for foreign businessmen to open businesses in Hebei. The prospects for cooperation between the two sides are bright.

Cheng Weigao said with satisfaction that during his tenure of office in Henan Province, the cooperative projects between (Kyoku Kasei) and Henan Province were very successful. He said: Hebei Province has great potential for developing the petrochemical industry. The coastal open zone along Qinhuangdao, Tangshan, and Cangzhou has rich resources of coal, salt, and petroleum. It has exceptionally good conditions for developing the petrochemical industry. He expressed the hope that both sides will undertake cooperation in various fields based on mutual benefits and in line with the principle of using advanced technology, having a reliable reputation, and adopting reasonable prices.

(Hori Seisaku) and his entourage, a total of four people, made a special trip to Hebei to pay a courtesy call to acting provincial Governor Cheng Weigao. They held talks on trade and technological cooperation with the appropriate provincial departments.

Ningbo Sends First Chartered Flight to Japan

OW0312194990 Beijing XINHUA in English
1454 GMT 3 Dec 90

[Text] Ningbo, December 3 (XINHUA)—The city's first chartered plane bound for Japan left Ningbo loaded with 18 tons of swimming crabs yesterday, according to an official from the Civil Aviation Administration of China.

He said that the cargo of swimming crabs would arrive in Tokyo at 6:40 that evening.

This was the first time goods from Ningbo, a city in east China's Zhejiang Province, were flown to Tokyo via

Shanghai. In regard to this maiden voyage, the official noted that Ningbo city is well suited for international trade.

DPRK Army Delegation Meets Military Leaders

OW0312064090 Nanjing XINHUA RIBAO in Chinese
15 Nov 90 p 1

[Report by Qiao Jianping (0829 1696 1627) and Zhu Feng (2612 1496)]

[Text] On the evening of 14 November, Lieutenant General Gu Hui and Major General Zhang Zongde, commander and chief of staff respectively of the Nanjing Military Region, cordially met all members of the Korean People's Army delegation led by General Kim Kwang-Chin, vice minister of the People's Armed Forces, at the Jinling Hotel.

At the beginning of the meeting, Commander Gu Hui extended a warm welcome to General Kim Kwang-chin and other members of the delegation on behalf of the officers and men of the Nanjing Military Region. He said: China and Korea are neighbors as closely related as lips and teeth. The militant friendship cemented with blood by the peoples and Armies of the two countries can withstand the test of history. We are very glad to have received two Korean military delegations within a month. I cannot forget the warm welcome extended to me when I visited Korea in August of this year.

General Kim Kwang-chin said: Korea and China are on very intimate terms; we frequently exchange visits as old friends. We are very glad to meet veteran volunteers like Commander Gu Hui. The Korean people cherish a deep affection for the great Chinese people. We are delighted at your success and are prepared to learn from your valued experience during our visit, so as to make new contributions to promote further exchanges and cooperation between the Korean and Chinese Armies..

Present at the meeting were Sui Shengwu, deputy director of the Political Department of the Nanjing Military Region; Shi Shuizhou, political commissar of Logistics Department of the Nanjing Military Region; Zhan Maohai, deputy director of the Foreign Affairs Bureau of the Ministry of National Defense; and Wang Haitang, person in charge of a department of the Nanjing Military Region.

The Korean military delegation arrived in Nanjing by train early yesterday morning and was met by Commander Gu Hui and others at the railway station. Accompanied by Chief of Staff Zhang Zongde, General Kim Kwang-Chin and his party visited the Army Command College in the afternoon. They were warmly received by Lieutenant General Song Shuanglai, political commissar of the college. The guests visited the teaching management center, library, and the simulated training system.

Chen Muhua Meets Mongolian Peace Delegation*OW0312080290 Beijing XINHUA in English
0722 GMT 3 Dec 90*

[Text] Beijing, December 3 (XINHUA)—Chen Muhua, vice-chairman of the Chinese National People's Congress Standing Committee, met with a delegation of the Executive Committee of the Federation of Mongolian Peace and Friendship Organizations led by its Chairman Batmonhiyn Ligden here this morning.

Mongolia Agrees To Open Six Highway Passes*OW0112213690 Beijing XINHUA in English
1525 GMT 1 Dec 90*

[Text] Ulaanbaatar, December 1 (XINHUA)—China and Mongolia agreed here today to open six highway passes on their border.

A protocol on the decision was signed by the two sides after the first session of the Chinese-Mongolian talks on border passes and their management.

At the session from November 27 to December 1, the two sides also discussed the simplification of transit procedures at the passes.

The two sides agreed to hold the second session of the talks in Beijing in the first quarter of next year.

Southeast Asia & Pacific**XINHUA Delegation Meets Thai Official***OW0412071190 Beijing XINHUA in English
0650 GMT 4 Dec 90*

[Text] Bangkok, December 4 (XINHUA)—Thai Deputy Prime Minister Sanan Khachonprasat met here last night with the visiting XINHUA NEWS AGENCY delegation led by Guo Chaoren, deputy director general of XINHUA NEWS AGENCY.

Sanan said during the meeting that Thailand and China are inseparably linked and the two peoples are like brothers.

Guo said on the occasion that even though his stay in Thailand has been brief, he is deeply impressed by the friendly feelings between the two peoples.

Thai Deputy Foreign Minister Amnuai Yotsuk met with members of the XINHUA delegation yesterday afternoon and gave a dinner in their honor last evening.

The delegation visited the Mass Communication Organization and the THAI NEWS AGENCY under it the same day. The two news agencies indicated that they would further strengthen cooperation and strive to conclude an agreement on news services exchange as early as possible.

The delegation also attended a banquet hosted by the Thai-Chinese Newspaper Publishers' Fund.

The XINHUA delegation arrived here on Saturday, December 1, for a week-long visit to Thailand at the invitation of the Thai Foreign Ministry. The visit follows its visits to Pakistan and India.

Yang Shangkun Receives Thai Envoy's Credentials*OW0412084590 Beijing XINHUA in English
0812 GMT 4 Dec 90*

[Text] Beijing, December 4 (XINHUA)—Chinese President Yang Shangkun accepted Thailand's new Ambassador to China Montri Jalichandra's credentials here this morning.

Jalichandra arrived here November 29.

Tian Meets Papua New Guinean Economic Delegation*OW0412085490 Beijing XINHUA in English
0836 GMT 4 Dec 90*

[Text] Beijing, December 4 (XINHUA)—Chinese Vice-Premier Tian Jiyun met here today a Papua New Guinean Government trade delegation, led by Minister of Trade and Industry John Giheno.

The visitors are here as guests of the Chinese Ministry of Foreign Economic Relations and Trade.

West Europe**French Company To Bid on New Daya Bay Project***HK0412024090 Hong Kong SOUTH CHINA
MORNING POST in English 4 Dec 90 pp 1, 2*

[By Geoff Crothall, Jamie Allen, and Doreen Cheung]

[Text] The world's largest electricity utility, Electricite de France (EDF), has been invited to submit a tender for the construction of a second nuclear power plant at Daya Bay.

Environmentalists and concerned groups yesterday condemned the proposal, saying the project presented a greater element of danger than the low-risk scenario presented to the Hong Kong public by British consultants in August.

They also said the Chinese Government had given assurances early last year that it had no plans to build more nuclear plants in Daya Bay.

The chairman of the Sino-Hong Kong Nuclear Safety Consultative Committee said Hong Kong was not ready for more nuclear plants near the territory.

Mr Jean Bergougnoux, the general manager of EDF, said yesterday that the company would submit a "full and

comprehensive tender" for the project to the Guangdong authorities at the end of next month.

The tender based on the continuation of EDF's long standing co-operation with China's electricity industry would include details of the organisation of the work site, lead times and costs, Mr Bergougnoux said.

The second plant would be basically the same as the twin 900-megawatt pressurised water reactor nuclear power station currently under construction 68 kilometres northeast of Hong Kong, and would involve the same consortium of EDF, Framatome, and Britain's General Electric, he said.

The Guangdong authorities have been looking at a number of sites for a second nuclear power plant within the province, including Taishan, west of Macao, and Yangjiang, about 228 kms to the west of Hong Kong, but now seem to have opted for a second plant on the Daya Bay site.

Mr Bergougnoux sought to assure Hong Kong residents that EDF's long experience and expertise in building nuclear power stations in France ensured the Daya Bay reactors, if properly developed and managed, would be "reliable and safe".

He pointed to the favourable report on the safety of the existing Daya Bay plant produced by the UK Atomic Energy Authority and the forthcoming study by the International Atomic Energy Authority as lending credence to his view.

The Guangdong authorities have yet to make a decision as to when to begin work on the second plant, but Mr Bergougnoux was confident that the project would go ahead and that EDF would win the contract.

"As far as I know, no other companies have been invited to tender for the project," he said.

"Of course, EDF does not have a monopoly in China but we have the advantage of a long-term over all plan for co-operation in the development of electricity in China while other companies tend to view things on a single project basis," he added.

The chairman of EDF, Mr Pierre Delaporte, signed a wide-ranging, long-term agreement with China's Minister of Energy, Mr Huang Yicheng, in June to explore a number of areas of possible co-operation and specific projects when opportunities arise.

Ms Linda Siddall, director of Friends of the Earth and an early campaigner against nuclear power at Daya Bay, said she was "absolutely appalled" to hear the news.

"The people of Hong Kong were enormously opposed to the first two (900 megawatt reactors) being built. If the Chinese build two more, it will at least double the risk.

"I do not think people's concern has lessened in the intervening few years, especially with Chernobyl," Ms Siddall said.

Ms Siddall also pointed out that local power company China Light and Power had made much of security and safety problems, such as transmission lines close to each other, in not wanting to build a second coal-fired power plant near their Castle Peak plant. (The plant will now be built near Castle Peak because other sites were ruled out on environmental grounds).

If this safety rule applied to coal-fired power plants, why would it not apply to nuclear ones, she asked.

Local environmental group Green Power said the Chinese Government had given an assurance in April last year that there were definitely no plans to build a second nuclear plant at Daya Bay.

Dr Simon Chau Sui-cheong from Green Power said that on April 10, 1989 a spokesman for the Chinese Ministry of Energy was quoted in a local newspaper as saying: "In China's development plans up to the year 2000 there is absolutely no consideration of building another plant at Daya Bay or of extending the present plant". (The comment was made in response to suggestions made the previous month by a Chinese nuclear expert that more nuclear plants be built north of Hong Kong.)

Dr Chau said Green Power would issue a formal statement soon asking the Chinese Government why the second plant was needed.

The chairman of the Sino-Hong Kong Nuclear Safety Consultative Committee said it had not heard about the proposal for a second plant at Daya Bay.

But Mr Wong Po-yan said he was personally against the proposal because people in Hong Kong had yet to accept the first one being built near the territory.

"It (the first) should be allowed to operate for some time before any new ones are built," said Mr Wong, a former Legislative Councillor.

A Hong Kong pressure group leader warned that the building of a second nuclear plant at Daya Bay would seriously affect the stability and prosperity of the territory.

The Reverend Fung Chiwood, head of the Joint Conference for the Shelving of the Daya Bay Nuclear Plant, described the decision by Guangdong authorities as "unfortunate" and also believed all Hong Kong people would protest against the construction of a second plant.

Mr Fung, who led the protest against the building of Daya Bay Nuclear Plant five years ago, said he was ready to run another campaign.

He also stressed that ruptures reported in nuclear plants in France had raised local fears about the safety of the Daya Bay nuclear plant.

But EDF claimed problems with the corrosion of steam generator pipes at a number of its 1,300-megawatt nuclear plants in France would not affect the safety of either Daya Bay plant.

A spokesman for the Hong Kong Government said it could not comment on the proposal as the Chinese Government had made no formal announcement yet.

Italian, Spanish Loans Expected To Resume

*HK0312030090 Beijing CHINA DAILY in English
3 Dec 90 p 2*

[By staff reporter Zhang Yuan]

[Text] Two European Economic Community (EEC) countries will resume lending money to China after a "successful visit" by a senior Chinese official to those nations, CHINA DAILY learned yesterday.

Last month, a seven-person delegation led by Chemical Minister Gu Xiulian, toured Italy and Spain. It was the first ministerial-level delegation to West Europe countries after the EEC lifted sanctions against China in October.

"Italy has agreed to resume gradually providing its contracted-loans and grants, which were stopped after June 1989," said an official with the Ministry of Chemical Industry.

Spain will also continue its loans and, probably, increase them because that nation is very interested in construction of China's key chemical fertilizer projects, according to Zhang Gengxin, director of the ministry's foreign affairs department.

From 1985 to 1990, the Spanish government agreed to provide China with \$800 million in loans, aiding China's key projects, including chemical and petro-chemical ones, said Zhang, who was also a member of the delegation.

Zhang said that Italian chemical entrepreneurs were very enthusiastic about co-operating with their Chinese counterparts and had urged their government to resume, as soon as possible, lending money to China.

Due to the stoppage of Italian loans last year, China met some difficulties in building some large-sized chemical and petro-chemical projects which were using the money for importing technology and equipment.

Those projects include the Hejiang Chemical Fertilizers Plant in Sichuan Province and the Zhongyuan Ethylene Plant in Henan Province.

But at the same time, Zhang said, Italian enterprises also suffered some losses.

He said that a couple of years ago Italy was the second largest EEC trade partner of China after then the West Germany, with the the highest annual bilateral trade volume reaching \$2.55 billion. After the sanctions

against China, Italy dropped to the fourth position among the EEC countries, Zhang said.

In recent few years, Sino-Italian chemical trade volume has been about \$200 million yearly, he said.

Since 1983, China has spent a total of \$524 million on importing technology and equipment from Italy for China's 70 chemical projects, including the technology and equipment for manufacturing radial tyres, chemical fertilizers and ethylene.

Through this visit, Zhang said, the ministry signed a memorandum on enlarging chemical co-operation with the Ente Nazionale Idrocarburi, which is Italy's largest State-run chemical group.

Zhu Rongji Meets With UK's Heath

*OW0312142490 Shanghai City Service in Mandarin
2300 GMT 2 Dec 90*

[From the "Morning News" program]

[Text] Mayor Zhu Rongji met former British Prime Minister Edward Heath at the Jinjiang Hotel yesterday afternoon. Zhu Rongji welcomed Heath's second visit to Shanghai and briefed him on the progress in Shanghai's reform and open policy, which has been implemented in recent years. Sun Zhu, deputy director of the municipal foreign affairs office, and (Owen), British Consul-General in Shanghai, were present at the meeting.

Governors, Mayors Delegation Ends Austria Visit

*OW0212022590 Beijing XINHUA in English
0139 GMT 2 Dec 90*

[Text] Vienna, December 1 (XINHUA)—Chinese delegation members composed of the country's governors and mayors left here today after a 10-day friendly visit to Austria.

During the visit, the delegation, led by Chairman of Provincial People's Congress of Gansu Xu Feiqing and Deputy Governor of Jiangxi Province Sun Xiyue, met with representatives from Austria's Federal Chamber of Commerce and commercial banks.

They also visited some local factories and companies to examine the country's productivity and economic growth.

German Ceramics Plant Official Visits Jilin

*SK0212070290 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 30 Nov 90*

[Text] At the invitation of the provincial government, Mr. (Beikehaerde), an official from a German high-technology ceramics plant, arrived in Changchun on 29 November to begin his friendly visit in our province. The high-technology ceramics plant is a fairly large

enterprise in Germany. The purpose of Mr. (Beikehaerde's) visit is to consult with our province on matters of economic cooperation in high-technology ceramics development.

On the evening of 30 November, Provincial Governor Wang Zhongyu and Vice Provincial Governor Liu Xilin met with the guest at Nanhu Hotel.

Yang Receives Turkish Envoy's Credentials

OW0412084790 Beijing XINHUA in English
0812 GMT 4 Dec 90

[Text] Beijing, December 4 (XINHUA)—Chinese President Yang Shangkun accepted Turkey's new Ambassador to China Resat Arim's credentials here this morning.

Arim arrived in Beijing on November 30.

East Europe

Ai Zhisheng, Tian Zengpei at Albanian Reception

OW2911155790 Beijing XINHUA in English
1216 GMT 29 Nov 90

[Text] Beijing, November 29 (XINHUA)—Justin Papa-jorgji, ambassador of the People's Socialist Republic of Albania to China, hosted a reception at the embassy here this evening to celebrate Albanian National Day.

Present on the occasion were Ai Zhisheng, Chinese minister of radio, film and television; Tian Zengpei, vice-foreign minister; and officials from other departments and ministries.

CSFR Deputy Prime Minister Visits Shaanxi

HK3011154190 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 29 Nov 90

[Text] [Word indistinct] (Malieci), deputy prime minister of the Czech and Slovak Federative Republic, arrived in our province yesterday for a sightseeing visit. Provincial Governor Bai Qingcai met with (Malieci) and his entourage in the Great Wall Hotel.

Before coming to our province, (Malieci) and his entourage had attended the Sixth Session of the China-CSFR Economic, Trade, Scientific, and Technological Cooperation Commission in Beijing.

Provincial Vice Governor Sun Daren and other leaders greeted the CSFR guests at the airport.

(Malieci) and his entourage visited Xian Aircraft Industry Company, Huanghe Machinery Plant, and the Museum of Wood Figures of Warriors and Horses Buried with the Late Emperor Qinshihuang.

In the evening, Governor Bai Qingcai held a banquet in honor of the CSFR guests. In a cordial and friendly atmosphere, Governor Bai briefed them on the conditions, customs, industrial and agricultural production, and historical and cultural developments of Shaanxi Province and Xian City. (Malieci) spoke highly of the great achievements scored by China in the decade-long reform.

The CSFR guests will leave Xian for Beijing today.

PRC Officials Mark Romanian National Day

OW3011225290 Beijing XINHUA in English
1141 GMT 30 Nov 90

[Text] Beijing, November 30 (XINHUA)—Romulus Ion Butura, Romanian ambassador to China, hosted a reception here this evening to celebrate the National Day of Romania.

Present on the occasion were State Councillor Zou Jiahua, Minister of Labor Ruan Chongwu, and other Chinese officials.

Film Reception Held

OW0312121390 Beijing XINHUA in English
1203 GMT 3 Dec 90

[Text] Beijing, December 3 (XINHUA)—A film reception was held here this afternoon by the Film Bureau of the Chinese Ministry of Radio, Film and Television to mark the Romanian National Day.

Romulus Ion Butura, Romanian ambassador to China, and Teng Jinxian, director of the bureau, spoke at the reception. They expressed the hope that the film circles of the two countries will have more exchanges.

A Romanian film, "The Last Night of Love, the First Day of War", was shown at the reception.

Ma Qingxiong, vice-minister of radio, film and television was present at the reception.

Political & Social**Wan Li Reportedly Meets Hu Qili, Li Ruihuan***OW0412010990 Naha RYUKYU SHIMPO in Japanese
4 Dec 90 Morning Edition p 2*

[By KYODO correspondent Matsuo]

[Text] Beijing, 3 Dec—Wan Li, chairman of the NPC Standing Committee (equivalent to parliament speaker), known as a reform leader in China, has dined with leaders of the reformist faction, including Hu Qili, at a Japanese restaurant in Beijing. This was disclosed by an informed source on 3 December. Hu Qili was dismissed as member of the Standing Committee of the CPC Political Bureau in connection with the Tiananmen incident last year.

While there is speculation that China will convene the seventh plenum of the 13th party Central Committee soon, the conservative and reformist factions are reportedly engaged in a hot contest behind the scenes over the Eighth Five-Year Plan and other long-term economic plans. Attention is now being focused on the intentions of Mr. Wan Li, who canceled his UK visit under the pretext of illness, for holding a "secret meeting" with Hu Qili and other "fallen" reformists.

According to eyewitnesses, eight people—Chairman Wan Li; Li Ruihuan, Standing Committee member of the CPC Political Bureau; and reformists including Mr. Hu Qili—dined at a Japanese restaurant in the Shoudu Guest House around noon on 1 December.

Ordinary customers were not barred from the restaurant, but plainclothes personnel stood guard outside their closed dining room. The contents of the talks have not been made known. When they left approximately an hour later, however, a bottle of maotai, which they brought, was reportedly found open.

Article Views Fall of Ji Pengfei, Li Hou*HK0412065990 Hong Kong CHENG MING in Chinese
No 158, 1 Dec 90 p 12*

[Article by staff reporter Lo Ping (5012 0393): "Secrets of the Fall of Ji Pengfei and Li Hou"—first paragraph is CHENG MING introduction]

[Text] Ji Pengfei and Li Peng have long been on bad terms. Li Hou has very bad relations with people. Hong Kong businessmen now and then privately reported complaints against Li Hou to Yang Shangkun's son Yang Shaoming. Since Lu Ping follows Li Peng closely, he has thus won promotion.

According to the news released on 23 November by CPC officials, Ji Pengfei agreed to resign (as director of the Hong Kong and Macao Affairs Office), while Li Hou was removed from office.

A cadre who had relations with the Hong Kong and Macao Affairs Office leaked word that following the Xu Jiatun case, Ji Pengfei and Li Hou wrote self-criticisms to the central authorities as the Hong Kong and Macao Affairs Office was the higher organ of the Hong Kong Branch of XINHUA.

One source said: Li Peng and Ji Pengfei have all along been on bad terms. As director of the Hong Kong and Macao Affairs Office under the State Council, when matters arose, more often than not, Ji Pengfei reported directly to Deng Xiaoping instead of the State Council by bypassing Li Peng.

Moreover, on the issue of handling the Zhao Ziyang case, Ji Pengfei's attitude has always been not clear-cut and even somewhat ambiguous. So Li Peng has long loathed Ji Pengfei and sought the retirement of the octogenarian.

Nevertheless, the problem has dragged on up to now in part because Li Peng saw that Ji Pengfei had fairly good private relations with Deng Xiaoping and in part because he worried that letting Ji Pengfei retire at the height of his anger might cause a shock in Hong Kong and invite new problems.

Deputy Director Lu Ping replaced Ji Pengfei as director of the Hong Kong and Macao Affairs Office. Lu Ping, good at using his brain, would necessarily report all matters, big and small, to Li Peng for instructions while reporting them to Jiang Zemin and Yang Shangkun.

Since the outbreak last year of the 4 June incident, Hong Kong has more obviously become an area of serious hidden trouble to China and Britain, and in the inner circles Li Peng termed Hong Kong a base for subversion or an anticommunist base camp. As the top person in charge of the Hong Kong and Macao region, Ji Pengfei should naturally be held responsible for the situation, detrimental to the CPC's future rule, emerging in Hong Kong.

According to a news account from the inner circles of the Hong Kong and Macao Affairs Office, after Xu Jiatun fled to the United States, he once made contact with Ji Pengfei. This may possibly be "news" fabricated by Li Peng's men with which to attack Ji Pengfei. Therefore, for the past year or so, Ji Pengfei had basically stepped down. Li Hou and Lu Ping have since assumed responsibility for day-to-day work.

Li Hou is comparatively familiar with Hong Kong and Macao affairs but has bad relations with people. In particular the Hong Kong people have a very bad impression of him. Quite a few Hong Kong people, including people working in the British-funded companies, frequently reported to Yang Shangkun's son Yang Shaozhi, stating that if the Hong Kong and Macao Affairs Office replaced its deputy director (referring to Li Hou), this would be fairly conducive to the CPC's work toward Hong Kong. After being informed by his son, Yang Shangkun was displeased with Li Hou. Yang Shangkun is in charge of the work toward Taiwan, which

has very close connections with the work toward Hong Kong and Macao. This being the case, Yang Shangkun presented a barrier to Li Hou's promotion to higher ranks. Nor just that, Li Hou was removed from office.

Unlike Li Hou, more often than not, Lu Ping assumes a smiling expression of the Xu Jiatun type and, more importantly, he follows Li Peng most closely and criticized Xu Jiatun most severely. All this, plus his younger age, has helped him gain considerable advantages over others. Finally he was promoted to the throne [bao zuo 1405 1654] of the directorship of the Hong Kong and Macao Affairs Office.

Another source said: Official appointments decided at the higher level but not officially announced are that Wang Zhaoguo, who recently assumed office as director of the Taiwan Affairs Office, is to enter the Secretariat; Foreign Minister Qian Qichen is to enter the central leadership core, and Wu Xueqian is possibly to enter the National People's Congress.

Open Trial for Wang Dan Reportedly Promised

HK0412030090 Hong Kong SOUTH CHINA
MORNING POST in English 4 Dec 90 p 11

[Text] The trial of Beijing student leader Wang Dan will be open to the public, according to a mainland official in charge of prison affairs.

Mr Wang Mingdi, deputy director of the Academic Research Committee of Law on Reform through Labour of Chinese Law Society, denied rumours that the prominent student leader had already been sentenced in a secret trial.

"According to the judicial procedures in China, (the trial of Wang Dan) will certainly be open to the public. It will not be held in secret," he said in Hong Kong yesterday.

Mr Wang said closed-door trials would only be held for juvenile cases or when state secrets might be disclosed in proceedings.

He said: "As far as I understand, Wang Dan has not been put on trial. Investigations are still going on ... as a matter of fact, I would know if he had been sent to jail."

The Beijing University student leader was on the top of a list of 21 most wanted dissidents accused by China of organising last year's prodemocracy student movement.

Rumours were rife last week that he had been involved in a secret trial with two journalists, Wang Juntao and Chen Ziming who were charged with counter-revolution and sedition.

Meanwhile, the International Federation of Journalists protested against the treatment of Wang Juntao and Chen in an open letter to the Prime Minister, Mr Li Peng.

They said they were opposed to the pair's detention for more than a year without being charged.

The London-based human rights group, Amnesty International also sent a letter to State President Mr Yang Shangkun to express its concern over the fate of the detained dissidents.

Jiang Zemin, Others View Water Conservation Site

OW0312201990 Beijing XINHUA in English
1530 GMT 3 Dec 90

[Text] Beijing, December 3 (XINHUA)—Jiang Zemin, Li Peng, Qiao Shi, Song Ping, Li Ruihuan and other party and government leaders visited the water conservation site in Changping county this morning.

Changping county on the northern outskirts of Beijing is home to the four-kilometer long Xindian River Control Project. During their visit, Jiang Zemin and other party and government leaders worked together with the peasants on the work site.

On behalf of the Central Committee of the Communist Party of China, the State Council and the Central Military Commission, Jiang Zemin extended cordial greetings to all the peasants, cadres and soldiers who are working at water conservation construction sites throughout the country.

He noted that although China has achieved a bumper harvest this year, cadres at all levels and the broad masses should never forget that agriculture is the foundation of the national economy.

"If we fail to promote agriculture, we will not be able to promote the economy to its fullest and create a stable political situation," he stressed.

Premier Li Peng noted that it is a great accomplishment for China to be able to support 22 percent of the world's total population with just seven percent of the world's arable land. But, it is also necessary to remember the grim aspects of the agricultural situation in China, he warned.

He noted that in developing China's agriculture, it is necessary to rely on the party's policies, investment in agriculture and science and technology.

Chen Xitong, the mayor of Beijing, told the leaders that this winter's local water conservation projects are the biggest and best in the past decade.

Also participating in today's construction efforts were Tian Jiyun, Li Tieying, Wu Xueqian, Qin Jiwei, Ding Guangren, Yang Baibing, Wen Jiabao and Zou Jiahua.

Wu Xueqian Praises Forbearance of Catholics

OW0312030290 Beijing XINHUA Domestic Service
in Chinese 1114 GMT 30 Nov 90

[By reporters Wu Huijing (0702 2585 0513) and Luobu Ciren (5012 1580 2945 0088)]

[Excerpts] Beijing, 30 Nov (XINHUA)—A commemorative meeting to mark the 40th anniversary of the Chinese Catholic Anti-Imperialist Patriotic Movement was held in the Xinjiang Room of the Great Hall of the People on 30 November. Personages from the religious circles and departments concerned unanimously held that over the past 40 years, the Catholic Church in China has basically changed its semicolonialist nature and become an independent religion established and run by the Chinese Catholics.

Among those who attended and greeted the meeting were Wu Xueqian, member of the Political Bureau of the CPC Central Committee and State Councilor; Ding Guangen, alternate member of the Political Bureau of the CPC Central Committee, member of the Secretariat, and head of the United Front Work Department; and Yang Jingren, vice chairman of the National Committee of the Chinese People's Political Consultative Conference.

Forty years ago to a day, in a bid to oppose the hostility of imperialist forces against New China and their control over Chinese Catholics, Wang Liangzuo, a Catholic priest, and over 500 Catholics in Guangyuan County, Sichuan Province, took the lead in publishing the "Catholic Independence and Reform Declaration" and proposed to "disassociate themselves from imperialism in all respects" and "form an autonomous, self-supporting, and independently-preaching new church." With successive responses from Chinese clergy and Catholics in other cities, an anti-imperialist patriotic movement was started within the Catholic Church.

At today's meeting, Wu Xueqian, on behalf of the State Council, extended tribute to Catholic friends who, holding aloft the banner of patriotism, have contributed positively to the cause of an independent Catholic Church in China over the last 40 years. He pointed out: The Chinese Catholic Anti-Imperialist Patriotic Movement launched 40 years ago has transcended Catholic circles and become an important component of the overall large-scale anti-imperialist struggle of the Chinese nation and of the Chinese people's struggle to safeguard national independence and state sovereignty. In their struggle, patriotic Catholic clergy and followers have demonstrated their valuable patriotic zeal and sense of national righteousness that opened a new chapter in the history of Chinese Catholics. History has fully proven that without state sovereignty, national independence, the launching of the Catholic Anti-Imperialist Patriotic Movement, and the correct policy of an independent and self-established church, the Chinese Catholic Church would be unable to enjoy its present status in socialist New China. The launching of the anti-imperialist patriotic movement and the establishment of an independent church by Chinese Catholics was an inevitable choice of patriotic Chinese Catholic clergy and followers, in accordance with China's historical and present conditions.

Wu Xueqian said: Since its start, the Chinese Catholic Anti-Imperialist Patriotic Movement has gone through

an eventful 40-year period. Patriotism was the essence of the movement. Therefore, to commemorate the Chinese Catholic Anti-Imperialist Patriotic Movement, we must carry forward its patriotic spirit, conscientiously safeguard our country's independence and dignity, place the interests of the state and the people above all else, firmly take the road of an independent and self-established church, and manage the Catholic Church in China well. From now on, the party and the government will continue to implement various religious policies conscientiously, maintain the continuity and stability of those policies, and protect the citizens' freedom of religious belief and their normal religious activities according to law. At the same time, we will ban and punish anyone who uses religion as cover to commit crimes and will resolutely oppose interference in China's religious affairs by any foreign religious organizations or individuals. [passage omitted]

Fu Tieshan, vice chairman of the China Patriotic Catholic Association and bishop of the Beijing diocese, presided over the meeting.

Qiao Shi on Party's Discipline Inspection Work

OW0112004790 Beijing XINHUA Domestic Service
in Chinese 1103 GMT 30 Nov 90

[By RENMIN reporter Chen Weiwei (7115 4850 0251) and XINHUA reporter Liu Siyang (0491 1835 2254)]

[Text] Beijing, 30 Nov (XINHUA)—The Discipline Inspection Commission of the CPC Central Committee held a national meeting today in Beijing to commend advanced organizations and outstanding cadres doing discipline inspection work. Qiao Shi, member of the Standing Committee of the Political Bureau and secretary of the Discipline Inspection Commission of the CPC Central Committee, addressed the meeting. He pointed out that all work by our party, including party style and discipline work, must be carried out in such a way as to center around the party's basic line.

Fifty-five advanced organizations and 296 outstanding cadres doing discipline inspection work will be commended at the meeting. They were selected from among nearly 100,000 discipline inspection organizations and 200,000 cadres engaged exclusively in discipline inspection in various parts of the country. On behalf of the party Central Committee, Qiao Shi warmly greeted these organizations and cadres while extended cordial regards to discipline inspection cadres throughout the country.

Qiao Shi reviewed the party's great achievements in adhering to "one central task and two basic points" since the Third Plenary Session of the 11th CPC Central Committee and expounded on the vital significance of the party's basic line to building socialism with Chinese characteristics. Then, he said: Facts have provided eloquent proof of the correctness of our party's basic line, a product of integration of Marxism with China's reality. Just as Comrade Jiang Zemin has said recently, "we must continue to implement unrelentingly the party's

basic line and the major principles and policies that our party has established since the Third Plenary Session of the 11th CPC Central Committee and after the 12th and 13th CPC Congress." Qiao Shi continued: Over the past 10 years, our discipline inspection organizations at all levels and our discipline inspection cadres have done a great deal of work to implement the party's basic line, struggle firmly against discipline violations, strive to correct the unhealthy trend, maintain stability and unity, and promote economic construction, reform, and opening to the outside world. Basically, it is advanced organizations and individuals receiving commendation today who have made striking contributions to building socialism with Chinese characteristics and to promoting the two socialist civilizations. Their experience has set a good example for us to make our discipline inspection work better serve the purpose of socialist modernization and to uphold more earnestly the party's basic line. We must earnestly learn from them and go all out to commend their deeds. We must also widely disseminate their experience.

On how to emulate outstanding discipline inspection cadres, Qiao Shi said: In the first place, we should follow their example to earnestly study basic Marxist theories; firmly uphold the Marxist stand, viewpoint and method; and make ceaseless efforts to raise our ideological, theoretical, and work levels. We should follow their example to go deep into reality, broaden our field of vision in the course of socialist modernization, conduct serious investigations and studies of the problems appearing in the process of implementing the party's basic line, especially problems concerning our party style and discipline, and give full play to the function of discipline inspection organizations in solving these problems in a timely manner. It is also necessary to follow their example to improve our work contingent and foster the fine work style that our party's discipline inspection cadres should have. He asked discipline inspection cadres to act as models in five aspects: one, setting an example by their own conduct; two, honestly performing their official duties; three, seeking truth from facts; four, making self-criticism; and five, forging ties with the masses.

Qiao Shi said: Through this meeting, we should carry forward the valuable spirit and fine style of these organizations and comrades; that is, the spirit and style of upholding the principles, working conscientiously and responsibly, acting selflessly and dauntlessly, being honest and clean, offering service willingly, seeking truth from facts, forging ties with the masses, learning painstakingly, and being bold in doing practical work. We should also study how to make a greater success of discipline inspection work centering closely around the party's basic line under the new situation.

Chen Zuolin, deputy secretary of the Discipline Inspection Commission of the CPC Central Committee, presided over the meeting's opening ceremony. Present at today's session were responsible persons from the Organization Department and the Policy Research Center of

the CPC Central Committee, the Ministry of Supervision, the Ministry of Personnel, and other departments concerned.

Bo Yibo Grets Opening of Second Drama Festival

HK0412045790 Beijing RENMIN RIBAO in Chinese
21 Nov 90 p 4

[Article by Bo Yibo: "Letter Greeting the 'Second China Drama Festival'"]

[Text] Comrades:

On the occasion of the opening of the "Second China Drama Festival", I should like to extend my warmest congratulations to you and hope that you will convey my sincere regards to all drama workers around the country.

Drama occupies a very important place in China's culture. With its countless varieties and schools and excellent works produced through the years, it plays a major role in promoting the fine traditional culture of the Chinese nation and in revitalizing the national spirit. I hope that the entire society will give proper attention, care, and assistance to it.

The promotion of drama is a vital aspect in the building of socialist spiritual civilization with Chinese characteristics. Literature and arts serve the one who masters them. If controlled by the bourgeoisie, then they serve the bourgeoisie; if controlled by the proletariat, then they serve the proletariat. Drama has played an enormous role in the Chinese people's struggle to overthrow imperialism, feudalism, and bureaucratic capitalism. For people of my age, the memory is still very fresh. At that time, our drama workers artistically integrated Marxist theories on literature and arts with the concrete realities of China's revolution, and created a large number of works which inspired the national spirit and stirred the people's fighting will. They played a very vital role in awakening, uniting, and educating the people. The reason for the huge success of the revolutionary dramas at that time lies fundamentally in the leadership of the Communist Party of China. The promotion of dramas during the new period should similarly uphold the party's leadership and adhere to the direction of serving both the people and socialism. Only in so doing can the cause of drama progress soundly and make the necessary contributions to the building of socialist spiritual civilization.

During the past 10 years of reforms and opening up, the art of drama has developed considerably, thanks to the efforts of our comrades. This is reflected in the programme of this year's drama festival. But frankly speaking, the art of drama is currently traversing a difficult period. With the flourishing development of television, movies, and popular music, dramas are confronted by an unprecedented challenge: diminishing audience, lack of capital...

Where lies the crux of the problem? Aside from some objective factors, I think the key should lie in the study of how to integrate the promotion of drama with the modernization of socialism with Chinese characteristics and with the people's needs for spiritual civilization under the new period. Once an art form turns it back from national cultural tradition, from the trends in the development of times and from the people, it will be eliminated; and even if it does survive, it will most likely end up as a redundant antique. It is not society and the people which should adapt to the artist, but the artist which should adapt to the demands of social development and of the people. The artist should go deep into society and among the people, take grasp of the pulse of the development of times, experience the joys and sorrows of the people, and absorb his nourishment and wisdom from them. In this way, the art, both its contents and its form, will continue to be enriched, developed, and its vitality preserved. It will also be able to play its role in guiding the healthy development of the people's spiritual life.

The development of the times has set higher standards for drama, both ideologically and artistically. It demands the reform of drama. During this process, it is necessary to organically integrate the inheriting part with the development part, making sure that one is not omitted in favor of the other. It is imperative not only to let the old serve the new but also to weed through the old to bring forth new. Fine tradition and features should be inherited and promoted; useful new things should be boldly introduced. Perhaps some comrades are concerned that once traditional drama forms like operas are reformed, they also cease to exist as operas. It should be noted here that the 200 years of history of the development of operas from the Anhui school of theatrical singing to modern operas shows that the growth of operas to this day stems precisely from constant reforms. The case with other drama forms is similar. Obviously, the continuing development of operas and other drama forms depends on making constant reforms. On this, it is necessary to have a sense of crisis and a sense of urgency, to dare to explore and to remain perpetually creative.

Comrades, you are engaged in a noble but difficult work. There is no need to fear the great amount of problems. We the Chinese nation have a fine tradition: the greater the problems, the more united we are in surging ahead. As long as we remain steadfast, work hard, pool the wisdom and efforts of everyone, and actively forge ahead, we will be able to surmount the obstacles and usher in the prosperity of the art of drama. A single flower in bloom does not usher in springtime; spring comes only when a hundred flowers blossom.

I wish for the success for the "Second China Drama Festival"!

[Dated] 19 November 1990

Forum Views Tibet Nationalities Book Publication

OW0112003490 Beijing XINHUA Domestic Service
in Chinese 1106 GMT 30 Nov 90

[Text] Beijing, 30 Nov (XINHUA)—A forum was held this morning in the Tibet Room of the Great Hall of the People to discuss the publication of the book "A New Probe of Dialectics" by Puncog Wangje, vice chairman of the Nationalities Committee of the National People's Congress [NPC]. Addressing the forum, Song Renqiong, vice chairman of the Central Advisory Commission, pointed out the significance of this book in promoting the study of Marxist philosophy in the whole party. It will play a positive role in stimulating such study, he added.

Others attending the forum included Peng Chong, Ngapoi Ngawang Jigme, and Wang Hanbin, vice chairmen of the NPC Standing Committee; and Hu Sheng, vice chairman of the National Committee of the Chinese People's Political Consultative Conference. Professor Fei Xiaotong, who is vice chairman of the NPC Standing Committee, sent a letter of greetings to the forum. At the forum, some 60 experts and scholars of philosophy who conduct theoretical studies confirmed the value of this work published by the Tibet People's Publishing House.

Song Renqiong and Peng Chong said at the forum: Studying and applying Marxism-Leninism-Mao Zedong Thought is a common task of people of all nationalities in our country and a guarantee for the success of our socialist modernization program. Under the leadership of the party Central Committee with Comrade Jiang Zemin as the nucleus, we should use Marxism-Leninism-Mao Zedong Thought as our guide, strengthen the great unity of all nationalities, and strive to build socialism with Chinese characteristics.

Peng Chong Inscribes First Dictionary on Jurists

OW0312075190 Beijing XINHUA in English
0704 GMT 3 Dec 90

[Text] Beijing, December 3 (XINHUA)—Compilation work on China's first "Dictionary of Chinese Jurists" is complete and the dictionary is expected to be published within two months.

The China Labor Publishing House, which is publishing the dictionary, made the announcement recently in Beijing.

The dictionary provides a detailed introduction into the biographies, academic achievements and major academic ideas of more than 700 Chinese jurists in both ancient, and modern and contemporary times, including over 100 jurists from Taiwan.

The title of the dictionary was inscribed by Peng Chong, vice-chairman of the Standing Committee of the National People's Congress.

Lei Jieqiong, Zhang Youyu and other noted jurists advised the dictionaries compilation committee.

Official on Development of 3-Tier Care Network

*OW0112133990 Beijing XINHUA in English
1147 GMT 1 Dec 90*

[Text] Beijing, December 1 (XINHUA)—With the establishment and development of the 3-tier medical care network in its urban and rural areas, China has set up sound medical, health care and referral system services.

According to an official of the Ministry of Public Health, the 3-tier medical care networks in China's urban areas include municipal departments of public health, district hospitals and sub-district health centers.

The 3-tier medical care networks in China's rural areas include county departments of public health, township hospitals, and village health centers.

What's more, most Chinese cities and counties have set up hospitals of traditional Chinese medicine, specialized hospitals, epidemic prevention centers, substance abuse centers, and schools of secondary medical education.

Prevention, treatment, and the control of diseases can now be conducted at the grass-root level. However, difficult cases are referred to the county, municipal, or provincial medical institutions.

The extensive services of primary health care are working to decrease and eventually eliminate the incidence of malnutrition and infectious and epidemic diseases in the country.

The incidence of 19 infectious diseases in China has dropped from 3,200 per 100,000 people at the beginning of 1960s to 337.71 per 100,000 by the end of 1980s. In addition, the mortality rate of 19 infectious diseases has dropped down from 20 per 100,000 people to 0.76 per 100,000 during the same period.

Along with the improvement of medical and health care services and peoples' living standards, the health conditions in the urban and rural areas has been greatly improved. (The death rate of the country has been decreased from 20 per 1,000 people in 1949 to 6.28 per 1,000 at present.)

Infant mortality has dropped from 200 per 1,000 newborns in 1949 to 13.8 per 1,000 in urban areas and 21.7 per 1,000 in rural areas by the end of 1980s.

In the meantime, the average life expectancy has been prolonged. It has increased from 35 years before 1949 to 69 in 1985.

Forum Marks Anniversary of PRC Constitution

*OW0312223490 Beijing XINHUA Domestic Service
in Chinese 0949 GMT 3 Dec 90*

[By RENMIN RIBAO reporter Xu Yunping (1776 6663 1627) and XINHUA reporter Zhang Sutang (1728 1372 1016)]

[Text] A forum marking the eighth anniversary of the promulgation of the constitution took place at the Great Hall of the People this morning.

The Constitution of the People's Republic of China adopted and promulgated in December 1982 by the Fifth Session of the Fifth National People's Congress [NPC] is the best of the four constitutions enacted since the founding of New China.

Speeches were made at the forum by Zhang Youyu, Wang Shuwen, Xiao Weiyun, Xu Chongde, Ju Maode, Wang Xiaoguang, Duanmu Zheng, Cai Cheng, Sun Wanzhong, Wang Houde, Zhang Baoshun, Yang Yanyin, Liu Zhongde, Zhang Chengxian, He Ying, and Xie Fei. They unanimously held that since its enactment, the current constitution has provided a fundamental legal guarantee for the implementation of the socialist modernization program, the development of democracy and the legal system, and the promotion of economic and political structural reforms in our country.

As the speakers pointed out, actual practice over the past eight years has proved that this constitution correctly reflects the central task, namely economic construction, and the two basic points—upholding the four cardinal principles and persisting in reform and opening to the outside world—stipulated by the party's basic line. It is a socialist fundamental law with distinct Chinese characteristics. Over the past eight years, the Chinese Communist Party has led the people of all nationalities to implement the constitution in earnest. As a result, the constitution has taken root in the hearts of the people and become their code of conduct as well as general rules for the management of state affairs and the maintenance of national stability. Meanwhile, the people's congress system, which is the basic political system of our country, has continued to be improved, while socialist democracy and the socialist legal system have been developed gradually and made perfect. This has ensured the exercise of democratic rights by the people; the stability and unity of the people of all nationalities; the implementation of the party's line, principles, and policies; and the smooth progress in building socialist material and spiritual civilization.

Some speakers criticized the viewpoint of opposing the four cardinal principles and the current constitution held by the few individuals who advocate bourgeois liberalization. The speakers maintained that the four cardinal principles included in the constitution are the law governing the development of China's history. It is a summation of China's historical experience gained in the last 100 years, a choice made by the hundred millions of

Chinese people, a common political basis on which the people of all nationalities in China unite and march forward, and a fundamental guarantee for smooth progress in achieving socialist modernization. For this reason, they said, without upholding the four cardinal principles, it would be out of the question to maintain the dignity and ensure the implementation of the constitution. To publicize and implement the constitution, we must wage an unremitting struggle against the words and deeds negating and opposing the four cardinal principles.

Speakers also pointed out: Although it has been eight years since the promulgation and enforcement of the constitution, there are still certain inconsistencies between its provisions and the realities of life. Contradictions to the constitution still exist at varying degrees. Many people who are unfamiliar with the constitution and devoid of a strong legal concept have not yet fostered the awareness to abide by the constitution and laws and act strictly according to the law. As a result, law enforcement remains rather unsatisfactory throughout the country. Meanwhile, the incomplete legal system has also affected the comprehensive implementation of the constitution. Therefore, it is necessary to publicize the constitution to the entire people to enhance their awareness and sense of responsibility in safeguarding the dignity of constitution and in strictly observing the constitution. It is also necessary to accelerate the pace of legislation for improving the Chinese system of legal construction so that acting strictly according to the law will become an institution and system.

It is understood that in the past eight years since the promulgation and enforcement of the constitution, the NPC [National People's Congress] and its Standing Committee have carried out a host of legislative work to enforce the constitution. They have formulated some 90 laws and legal documents to further specify, institutionalize, and codify the principles for the social and government systems as prescribed in the constitution. The State Council has also formulated more than 500 administrative statutes and regulations for enforcing the constitution and laws, and has adopted numerous administrative measures to implement the fundamental tasks of the state stipulated in the constitution. According to speakers, the implementation of these laws, statutes, regulations, and administrative measures have played an important role in China's political, economic, cultural, education, scientific, and technological achievements, which are recognized by the whole world.

Peng Chong, vice chairman of the NPC Standing Committee, and some 100 personages from the capital's theoretical and legal circles attended the forum. Wang Hanbin, vice chairman of the NPC Standing Committee, spoke at the forum, which was chaired by Cao Zhi, deputy secretary general of the NPC Standing Committee. The forum was jointly sponsored by the China Law Society, the Research Office of the General Office, the Research Office of the Legislative Affairs Commission of the NPC Standing Committee, the China Society

for Study of Constitutional Sciences, and the Shandong Provincial Academy of Social Sciences.

CPC Propaganda Department Holds Forum in Guangxi

HK0412035990 Nanning Guangxi Regional Service in Mandarin 1130 GMT 1 Dec 90

[Excerpts] The four-day National Forum on Conducting Education on Basic National Conditions and Basic Line in Southern Enterprises, which was held by the Propaganda Department of the CPC Central Committee in the Liuzhou Railroad Bureau, concluded on 30 November.

More than 130 deputies attended the forum, including those from the 14 provinces, municipalities, and autonomous regions of Shanghai, Jiangsu, Zhejiang, Anhui, Fujian, Jiangxi, Hubei, Hunan, Guangdong, Guangxi, Hainan, Sichuan, Guizhou, and Yunnan; and those from Nanning, Ningbo, Xiamen, Wuhan, Guangzhou, Shenzhen, Chengdu, Chongqing, and (Bashi).

The forum was mainly aimed at implementing the spirit of the "Circular of the CPC Central Committee Propaganda Department, the State Planning Commission, and the All-China Federation of Trade Unions on Conducting Education on Basic National Conditions and Basic Line Among Enterprise Staff and Workers."

Some 20 deputies gave accounts of their experiences at the forum.

(Liu Junfang), deputy director of the Propaganda Department of the Guangxi regional party committee, gave an account of our regional situation concerning the education on basic national conditions and basic line. [passage omitted]

By summing up and exchanging their experiences, all the deputies attending the forum broadened their vision, strengthened their confidence, and resolved to carry out education on basic national conditions and basic line in a down-to-earth manner and a more fruitful way to fundamentally improve the ideological and political quality of staff and workers.

Li Chuanhua, deputy secretary general of the Propaganda Department of the CPC Central Committee and chief of the Information Bureau of the Propaganda Department of the CPC Central Committee; (Zhang Kexun), deputy chief of the Information Bureau of the Propaganda Department of the CPC Central Committee; and regional party committee Deputy Secretary Ding Tingmo delivered speeches at the forum. They emphatically pointed out: The theme and nucleus of education on basic national conditions and basic line are: To educate and guide staff and workers to strengthen faith in socialism and strive to build a socialist country with salient Chinese characteristics under the leadership of the party. The education is aimed at mobilizing the socialist enthusiasm of staff and workers and enabling staff and workers to scientifically and correctly assess CPC leadership, the reason for taking the socialist road,

the achievements scored over the past 40 years since liberation as well as in the decade-long reform, and so on.

Ding Tingmo said: The education on basic national conditions and basic line should be integrated with education on the situation, with the spirit of the speech made by General Secretary Jiang Zemin during his inspection in Guangxi, and with the enhancement of the spirit of workers of being master of the enterprise. It is necessary to conduct the education in a vivid way and to bring into full play the role of the political backbone in this process in order to make education on basic national conditions and basic line a complete success.

First Chinese-English Translation Symposium Opens

OW0412152790 Beijing XINHUA in English
1309 GMT 4 Dec 90

[Text] Beijing, December 4 (XINHUA)—The first national symposium on Chinese-English translation, attended by over 100 translators from across China, opened here today.

The five-day symposium will discuss the improvement of Chinese-English translation in Chinese publications for overseas readers.

The acting president of the China Translators Association, Ye Shuifu, said in his opening speech that China has now around 500,000 translators, working full or part time in this field.

Senior diplomat and translator Wu Xiuquan, Vice-Minister of Culture Liu Deyou, and Israel Epstein, editor-in-chief emeritus of THE CHINA TODAY magazine, were present at the opening ceremony today.

Enterprise Technical Progress Award Established

OW2911195990 Beijing XINHUA in English
1458 GMT 29 Nov 90

[Text] Beijing, November 29 (XINHUA)—The State Planning Commission has decided to establish a state enterprise technical progress award in order to further motivate enterprises to make technical progress.

The award will be granted to both state-owned and collective-owned industrial and communications enterprises who make outstanding contributions to the modernization of technology, management and technical personnel.

Enterprises must meet the following conditions to qualify as applicants for the award: They must

—rely on technical progress to take the lead among domestic enterprises in the same trade, in technical level and product quality, per-unit costs, labor productivity, safety and environmental protection, and economic and social efficiency;

—transform the enterprise by effectively adopting new domestic and foreign technology, technological processes or equipment;

—establish effective organizational systems and working rules for the leadership aimed at making technical progress;

—have sound organizations and show steady increases in locating funds for technical development and transformation;

—adhere to a system of training and updating the skills and knowledge of workers and staff members.

The appraisal for the award will be aimed at those workers and staff members of administrative departments who have made outstanding contributions to promoting the technical progress, and those honored will be awarded the title of "outstanding administrator of technical progress." They will also be awarded certificates and medals.

The award will be given once yearly to 30 enterprises.

Procuratorial Cadres Undergo Training, Education

HK0212083490 Beijing XINHUA Domestic Service
in Chinese 1349 GMT 1 Dec 90

[Report: "Procuratorates Across the Country Achieve Marked Results in Training and Educating Cadres During the Seventh Five-Year Plan"—XINHUA headline]

[Text] Beijing, 1 Dec (XINHUA)—This reporter has learned from the national conference on education and training of procuratorial cadres held in Changsha that the procuratorates throughout the country have achieved marked results in educating and training cadres during the Seventh Five-Year Plan. The various quotas and targets proposed in the cadre education and training program have been realized and new headway has been made.

Beginning from 1988, the procuratorates organized the leaders at all levels to study political theories for the sake of upgrading their level of Marxist theory. With support and cooperation of the Central Party School, they trained the chief procurators of prefectures and cities by stages and in groups. To date, they have run six classes and trained more than 200 chief procurators, accounting for 35 percent of the cadres to undergo training.

Upgrading the educational and professional level of procuratorial cadres constitutes the important contents of cadre training work during the Seventh Five-Year Plan. Over the years, the procuratorial organs at all levels used the forms of television, evening part-time, workers, and correspondence colleges, and higher education self-study and examination programs to organize cadres to acquire professional knowledge, which markedly upgraded the educational and professional level of the ranks of cadres. To date, some 70,000 out of 150,000

procuratorial cadres have received college education or hold higher education certificates. This figure plus those who are still studying in colleges total 110,000. During the Seventh Five-Year Plan, new progress has also been made in in-service training of procuratorial cadres. According to incomplete statistics, the procuratorial organs at all levels ran a total of 1,100 various kinds of short-term classes, training more than 50,000 cadres. China also established a training center for senior procuratorial officers, opening up a new way for post-college training of chief procurators. Since the establishment of the center, three anti-corruption classes have been run, training 433 backbone cadres. Moreover, progress has also been made in entrusting political and legal institutes to train postgraduates and sending cadres to continue their advanced studies abroad.

While training procuratorial cadres at all levels, the procuratorates also paid close attention to the building of the training organs, bases, teaching materials, and ranks of lecturers. A total of 14 provinces, autonomous regions, and municipalities set up education offices and 19 provinces, autonomous regions, and municipalities established television college, procuratorial branches. Some localities started to train their own ranks of lecturers.

Greater Efforts Urged To Promote Rural Tourism

OW0112200390 Beijing XINHUA in English
1436 GMT 1 Dec 90

[Text] Beijing, December 1 (XINHUA)—China should make greater efforts to exploit the rich tourism resources in rural areas to promote tourism, increase the farmers' incomes and promote social progress, experts suggested.

The rapid development of tourism in China has provided a good opportunity for boosting tourism in rural areas, where the amount of arable land is decreasing and surplus labour increasing, experts said.

An effort should be made to divert a portion of the over 200 million domestic and 20 million overseas tourists, who visit the country each year, to tourist attractions in rural areas, they suggested. This would relieve the strain now faced by traditional tourism zones and scenic cities, and at the same time, it would help the rural economy.

It is estimated that rural China boasts over 70 percent of the country's tourist attractions. However, many of them remain undeveloped.

The Yesanpo Scenic Area in Hebei Province attracted over 890,000 tourists between 1986 and 1988 and the farmers there earned over six million yuan. In addition, Hebei Province's Chengde city reported that tourism has benefited other trades in the city, and that over one-half of its 700 rural enterprises serve tourism some way.

The vocational village in Zhuhai, Guangdong Province, where 90 percent of the villagers used to farm. Now, however, the development of tourism has reduced the

number of farmers to only 30 percent, while the 1988 production value of the village increased 39-fold over that in 1984, before the advent of tourism.

The experts called for an overall strategy and plan for the development of rural tourism, and the drafting of regulations covering service standards and prices. Rural tourist attractions should offer service and products characteristic of the Chinese countryside, they said.

Correction—Journal on Personnel Struggle

HK0412004690

The following correction pertains to the item headlined "Journal Views Personnel Struggle Within CPC," published in the 3 December China DAILY REPORT, pages 20-22:

Page 22, column two, first full paragraph, first sentence, make read: ...Wan Li, a comparatively moderate NPC Standing Committee chairman, who is wanted....(amending Wan Li position)

Science & Technology

Li Tieying, Zou Jiahua View Electronics Advances

OW0312015190 Beijing XINHUA Domestic Service
in Chinese 1100 GMT 2 Dec 90

[By reporter Gu Honghong (7357 3163 3163)]

[Text] Beijing, 2 Dec (XINHUA)—State Councillors Li Tieying and Zou Jiahua and some provincial and municipal officials attending the national planning conference in Beijing visited a national electronics exhibition yesterday.

The exhibition opened yesterday. During the visit, Li Tieying and Zou Jiahua, who had successively headed the Ministry of Electronics Industry, carefully examined the displays and made many suggestions for developing the electronics industry.

Li Tieying repeatedly stressed: To upgrade the electronics industry, it is necessary to compete actively in the international market. The key to opening the market lies in research. He said: The electronics industry should set high goals and foster the courage to take part in international competition so as to upgrade continuously technology and improve management. He added: Unlike certain goods for everyday use, electronic products have a ready market. The size of the market depends upon research efforts, and some of the important means for market competition are product performance and prices. If product variety and quality are continuously updated and improved, the market will expand when prices are lowered. When small transistor radios first entered the market, they were sold for more than 100 yuan; the market was very small. Later, when prices were lowered to around 10 yuan, the market was extended to urban and rural areas throughout the country. Li Tieying also

fully affirmed the achievements in producing color television sets domestically. He said: In the past, we advocated systems engineering, but mostly for scientific research. Domestic production of color television sets is not, however, a research systems engineering project but an industrial systems engineering project which not only turns out products but also forms massive production capacities. Systems engineering successes have spurred the development of electronic raw and semifinished materials, integrated circuits, and electronic parts and components.

During the visit, Zou Jiahua stressed: In previous discussions regarding the industry, we mentioned only the integration of machinery and electrical industries. This is not inadequate. It is necessary to emphasize the extensive application of computers and electronics technology in various facets of the national economy. In the military products exhibition hall, Zou Jiahua suggested that the prices of military products, which have high technical standards, should be lowered as soon as possible. It is also necessary to attach great importance to applying military industrial technology to production of civilian goods.

Some members of the Central Advisory Commission and officials of the Commission for National Defense Science, Technology, and Industrial also visited the exhibition yesterday.

Science Academy Successful Under 7th 5-Year Plan

OW0112080190 Beijing XINHUA in English
0742 GMT 1 Dec 90

[Text] Beijing, December 1 (XINHUA)—During the period of the state's Seventh Five Year Plan (1986-90), the Chinese Academy of Sciences (CAS) achieved great successes in tackling key scientific projects and promoting high technology.

According to an official from the CAS, China's foremost research institute, 2,000 scientists from 109 institutes under the CAS participated in 47 of the 76 state projects which tackled key scientific problems. So far, all the projects undertaken by the CAS have been completed.

Scientists at the CAS also participated in 15 of the state's high technology development plan projects.

Sponsored by some of the institutes under the CAS, research bases for some high technology fields under the state high-tech projects have been constructed. They include the national photoelectron research center, the national research center for artificial intelligence, the national robot research center, the strong laser-fusion reactor research base, and the coal fired magneto-hydrodynamic generator research base.

In addition, scientists at the CAS have taken on 33 of the 66 projects covered by the State Natural Science Fund, most of which are nearly complete.

During this plan period, the science academy also undertook many research projects which have played big roles in promoting social development and the national economy.

These projects include the comprehensive development of plains in north and central China, the Loess Plateau and the three-river plain in the northeast; the development of remote sensing technology, synthetic generator fuel, new techniques for smelting aluminum alloy ore, engineering plastics, and membrane technology.

The science academy has proved itself a pioneer in developing high technology and high-tech industries. The new-type semiconductor devices called "vdmos" devices, the semiconductor photoelectron devices, the large-scale laser equipment and the "CAS 386" microcomputers developed by the CAS, are all successful and have a high potential for contributing to future research.

In basic research, one of the science academy's most important tasks beyond helping promote the national economy, the CAS has achieved a large number of high-level and innovative research results in various advanced fields over the past five years.

Among them, the theory of mathematical mechanization put forward by Professor Wu Wenjun, the research into the micro-structure of the semiconductor superlattice conducted by Professor Huang Kun, the research into quasi-crystals conducted by Professor Guo Kexin, the Hamiltonian algorithm developed by Professor Feng Kang, and the theories of climatic dynamics and climate prediction initiated by Professor Zeng Qingcun have all aroused the interests of both domestic and foreign scientific circles.

Meanwhile, the science academy has also created various large-scale scientific equipment, such as the Beijing positron-electron collider, the heavy ion accelerator, the synchrotron radiation device, and the 2.16-meter astronomical telescope. This equipment has provided better conditions for research in the related fields.

With the establishment of open laboratories, the science academy has adopted an open, flexible and cooperative science management system.

Statistics reveal that during the past five years, 25 national laboratories have been constructed with the support of the state on the various institutes under the CAS. In addition, the CAS has built another 45 open academy level labs, two open institutes and eight open field research stations.

Many of the high-level research results were born in these open labs. They include findings from basic research and important experiments, as well as from the application of research which will influence the current or future development of the national economy.

Research findings at the field stations, on the other hand, have played a big role in developing regional agriculture

and natural resources, providing relief from natural disasters, and protecting the environment.

These open laboratories have also absorbed a large number of talented middle-aged and young researchers, including many scholars and students who have returned from abroad.

In the past five years, more than 30 middle-aged and young scientists from the open labs won national awards for their distinguished contributions.

Military

Yang Baibing on Army Discipline Inspection Work

OW0412074190 Beijing Domestic Service
in Mandarin 1030 GMT 30 Nov 90

[From the "National Hookup" program]

[Text] An all-Army discipline inspection conference, jointly convened by the General Political Department of the People's Liberation Army [PLA], the Central Military Commission, and the Central Discipline Inspection Commission, ended in Beijing on 30 November.

At the conference, Yang Baibing, secretary general of the Central Military Commission and director of the PLA General Political Department, delivered an important speech on how the work of discipline inspection in the Army could be improved.

The conference was the first of its kind convened since the discipline inspection organs were readjusted. The main object was to study the new conditions following the readjustment of discipline inspection organs, to further define the guiding ideology in this regard, to straighten out work relations, and to make arrangements for future work. Fourteen advanced discipline inspection organizations and 47 outstanding discipline inspection cadres were commended at the conference.

In his speech, Yang Baibing emphasized: The basic task of discipline-inspection work is to maintain the purity and consolidation of party organizations in the Army. He pointed out: To maintain the purity and consolidation of the party organizations, discipline inspection work should be concentrated on three areas at present and for some time to come: First, to maintain political discipline in the party and to make sure that party organizations and party members maintain a high degree of political unity with the party Central Committee; second, to do a good job in developing party style with the emphasis on honesty; and, third, to strictly enforce discipline and vigorously investigate and punish those involved in discipline violations.

Yang Baibing emphasized: The work of discipline inspection should focus on helping to educate and improve party members. This should be an important principle for the work of party discipline inspection in the Army. Yang Baibing called on party organizations

and discipline inspection departments at various levels to pay close attention to education, help, prevention, and publicity on the positive factors in their work.

Yang Baibing also stated his concrete views on such questions as how to exercise supervision and control over cadres at the middle and high levels, and how party committees at various levels can effectively strengthen their leadership over the work of discipline inspection.

Wang Ruilin, secretary of the Discipline Inspection Commission of the Central Military Commission, chaired and addressed the conference. Zhou Wenyuan, Yu Yongbo, and Li Jinai, deputy directors of the PLA General Political Department, and others, attended the conference.

Air Force Has 'Large Number' of Minority Pilots

HK0412085790 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1226 GMT 27 Nov 90

[Report: "The Chinese Air Force Now Has a Large Number of Pilots of Minority Nationalities"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 27 Nov (ZHONGGUO TONGXUN SHE)—There is now a large number of pilots of minority nationalities in China's Air Force, and they have become a backbone force among Chinese pilots.

At present, there are pilots of more than 30 minority nationalities out of the 56 nationalities in China. The minority pilots are from such nationalities as Tibetan, Uygur, Korean, Man, Zhuang, Xibo, Hui, Miao, and Kazak, and they can be found in airfields in all parts of the country. They are trained to fly high-speed fighters, attack planes, bombers, reconnaissance planes, large transport planes, and other planes, and are playing an important role in the air units of the Chinese Air Force and in various flying schools.

It is learned that the Chinese air force has always attached great importance to the training of minority pilots, which began as early as in the 1950's. The air force has also formulated a long-term plan for recruiting pilots from among young people of various minority nationalities. In the last nearly 40 years, a number of minority young people have been enrolled by the flying schools of the Air Force every year; and a number of minority cadets graduate from the flying schools and are assigned to various air units.

Tank Shooting Simulator TSN-2 Developed

HK0412050590 Beijing RENMIN RIBAO OVERSEAS
EDITION in Chinese 26 Nov 90 p 6

[Report by Wang Jin (3769 6210): "China Develops Tank Shooting Simulator"]

[Text] The training of Chinese troops is advancing toward modernization. Recently, the Beijing Special Vehicles Research Institute produced a new TSM-2 tank

shooting simulator. It shows that China's armored troops training has entered a high-tech era.

China began studying the production of the tank shooting simulator in 1984, and produced its first TSM-2 simulator three years later, which aroused the attention of international military circles. Now, as the simulator has been improved with a new control system, it can be used not only by the gunners of the T59 and T69 medium tanks and the T54 and T54A tanks in shooting training, but also by the gunners of other vehicles and point-blank cannon in training.

Experts hold that the TSM-2 tank shooting simulator, which employs diverse technologies, including computers, lasers, electronics, sound, and mechanical devices, has reached the international level of similar products.

Economic & Agricultural

Austerity Program Attempts To Reduce Deficit

OW0412132990 Beijing XINHUA in English
1318 GMT 4 Dec 90

[Text] Beijing, December 4 (XINHUA)—In a bid to decrease the deficit next year, China will continue to pursue the financial austerity program while endeavoring to stabilize increases in state revenue, a senior Chinese official said today.

Wang Bingqian, state councillor and the minister of finance, told a national finance conference here that the central government will allocate approximately the same expenditures for most items in 1991 as it did this year, but investments in major construction projects, agriculture, national defense, and educational and scientific undertakings will be expanded.

The state budgetary plan for this year has not been executed in the most ideal manner, the minister said. He added that the real growth rate of state revenue during the period from January to October was only 6.3 percent on a year-to-year comparison, while the governmental expenditures were up 14 percent.

The sluggish market and heavy stockpiling of products are to blame for the situation, Wang said, for the small increase in revenue actually kept in line with the country's economic growth.

According to Wang, China will concentrate on adjusting the industrial structure and raising economic efficiency in 1991. The State Council, China's highest governing body, has decided to emphasize quality, variety and efficiency in economic life next year.

The government will continue its reform on pricing and reduce subsidies so as to keep the budget balanced, Wang said.

Moreover, taxation management will be tightened and efforts will be made to improve the national income distribution structure in the coming year, the minister added.

Gao Shangquan Views New Economic Mechanism

HK0312060890 Beijing RENMIN RIBAO OVERSEAS
EDITION in Chinese 9 Nov 90 p 3

[Report: "Vice Minister Gao Shangquan Interviewed on Planned Economy and Market Regulation"]

[Text] Heated debates have been recently carried out in China on the issue of how to realize an organic integration between planned economy and market regulation, and how to set up a new mechanism of economic operation. Gao Shangquan, a famous Chinese economist and vice minister of the State Commission for Restructuring Economy, put forward an important idea the other day that it is wrong to equate planned economy with its realization forms, and that it is more realistic to put the stress of our current study on seeking a practical road for the integration of "planning" and "market."

In response to the questions posed by a ZHONGHUA GONGSHANG SHIBAO [CHINA INDUSTRIAL AND COMMERCIAL TIMES] reporter, Gao said that in the past, people tended to equate the highly-concentrated forms of planned economy with planned economy itself; that is, to equate a mandatory command with planned economy. It is evident that people confused planned economy with its realization forms. As a systematic and regularizable economy, planned economy is a concept antagonistic to an anarchist and unchecked economy. Its basic implication is the planning of the national economy, which means a process of conscientiously organizing and coordinating the social economic development in accordance with the objective demands of social development and the rule of planned distribution of social resources. This is an embodiment of the superiority of socialism.

He said: According to socialist economic theory and the practice of planned economy, a planned economy can be achieved through at least the following forms. The first form is Marx's conception of a future society, a typical theoretical form of realizing a planned economy, in which a planned economy with direct distribution of products is realized in the whole society on the basis of a large-scale highly-developed social production as well as under the prerequisite of predicting an approaching elimination of commodity economy. The second one is a form of realizing planned economy marked by high centralization and mandatory command. This is the form practiced in some socialist countries before they carry out reforms. The third one is a rigid mode of integrating a planned economy with market regulation in the early stages of reform. In a sense, it can be said to be a transitional form. The fourth one is a form of realizing an organic integration between planned economy and market regulation. Here, planning and market should

cover the whole society. He holds that only with the fourth form of planned economy, that is, under the condition of basing on commodity currency, can an organic integration between planned economy and market regulation come true.

On the issue of an integration between planned economy and market regulation, Gao said that discussions on this issue actually mean a further comprehension of the operational mechanism of planned commodity economy. In essence, as an issue concerning the levels of economic operation, planned regulation and market regulation only reflect general demands of commodity economy and a large-scale social production. Not long ago, when I held a talk with former French Prime Minister Raymond Barre, I asked him about things in France. Barre said that from 1945 to 1960, France imposed control over prices, interest rates, foreign exchange rates, etc. The guidance in past planning contained certain mandatory commands, and particular emphasis was once laid on microeconomic aspects. Today's planning is, however, macroeconomic and strategic. This shows that France's utilization of planned regulation does not mean it changes the nature of capitalism.

In the same way, by bringing into play the active role of and utilizing market regulation during its more than 10 years of reform and opening up, China has injected life and vigor into the economy, markedly strengthened the national power, and evidently enhanced the people's livelihood. Yet, China has not become a capitalist country. It is the orientation of our country's reform of economic structure to integrate planned economy with market regulation on the basis of public ownership, aiming at giving full rein to the strongpoints of both, stepping up an optimum disposition of resources, and bringing about a sustained, stable, and coordinated development of the national economy.

With regard to the issue of integrating "planning" and "market," Gao Shangquan said that in different periods of economic development, in enterprises with different natures, in different industries and trades, and in different fields and regions, their combination may be achieved through various means, including a combination realized through mandatory command, one through price control, and one through taxation and market control. The forms of integrating "planning" with "market" should always be suitable to the development levels of productivity as well as the growth degrees of the market.

Gao Shangquan said: From the point of view of economic operation, an organic integration between "planning" and "market" requires a certain structural basis. Before the principal parts of traditional structure change completely, it is considerably difficult for the two to be integrated. To a large extent, what the two can do is to only realize a rigid combination, thus giving rise to a considerable number of problems. Therefore, to realize an organic integration between planned economy and

market regulation, we are objectively required to deepen reform, and create and set up a structural basis which enables an organic integration between the two.

Of the principal tasks of reform in the current stage and the coming period, the first task is to deepen the reform of planned structure; change the form, means, and functions of traditional planning; and probe ways to set up a planned control structure in which a new planned economy is combined with market regulation. The second one is to reform the structure, ways, and means of traditional macroeconomic regulation and control; and establish a new one suitable to the organic integration between planned economy and market regulation. The third one is to steadily carry out price reform, create conditions, and gradually form and develop a socialist market system. The fourth one is to consolidate the achievements of reform we have already scored, and enable enterprises to become real and independent commodity producers and dealers that are responsible for their own profits and losses with the ability of self-expansion and regulation. The fifth is to set up and improve market laws and rules, and gradually perfect the basic order of a socialist planned commodity economy.

Wang Bingqian at New Dalian Shipyard Opening

SK0412062490 Shenyang Liaoning Provincial
Service in Mandarin 2300 GMT 3 Dec 90

[Text] On the afternoon of 3 December, the new Dalian Shipyard ceremoniously held a rally to celebrate the construction of a modern ship assembling plant, the biggest of its kind in China.

Present at the rally were Wang Bingqian, state councillor; Xie Guang, vice minister of the commission of science, technology, and industry for national defense; Zhang Xusan, deputy commander of the Navy of the People's Liberation Army; He Guangyuan, minister of machine-building and electronics industry; Yue Qifeng, acting governor of the province; Cheng Jinxiang, vice chairman of the Standing Committee of the provincial People's Congress; Zhang Shou, general manager of the China Shipping Industrial Corporation; Bi Xizhen, secretary of the Dalian City CPC Committee; Wei Fuhai, mayor of Dalian City; and some veteran comrades retired from the shipping industrial front.

This shipyard was one of the plants under the Dalian Shipyard. In 1984, the State Council formally approved the rebuilding of this plant, in line with the world advanced techniques, into a modern, large-sized general ship assembly plant, and also listed it as a key state project. So far, hull and mechanical outfitting production lines of comparatively higher automation levels have been built. Thus, the shipyard has the capacity of building large ships in the 150,000-ton class.

Over the past years, this shipyard was making efforts to rebuild itself at the time of production. A 50,000-ton oil tanker, a 115,000-ton shuttle oil tanker, a 118,000-ton

shuttle oil tanker and a [words indistinct] drilling platform, an oil- and water-supply ship, and a sea production [words indistinct] were built in succession. Thus, the shipyard has made outstanding contributions to our country's shipping industry. Upon the completion of the ongoing 200,000-ton dock by 1993, this shipyard will increase its annual production capacity to more than 760,000 tons.

In his recent inspection tour to the shipyard, Jiang Zemin, general secretary of the CPC Committee, urged that the shipyard make greater contributions to our country's shipping industry and navy construction.

Attends Tanker Launch

SK0412065090 Shenyang Liaoning Provincial Service in Mandarin 2300 GMT 3 Dec 90

[Excerpts] At 0957 on 3 December, when State Councillor Wang Bingqian cut the cable on the 100,000-ton-class shipway of the new Dalian Shipyard, a 95,000-ton oil tanker, the first homemade and home-designed oil tanker, smoothly slipped into the sea. This added a new chapter to the history of our country's shipping industry.

This oil tanker—described as a modern, comparatively advanced, and futuristic oil tanker by its Norwegian owners—is the largest of its kind in the world. [passage omitted]

Leading Comrades Xie Guang, Zhang Xusan, He Guangyuan, Yue Qifeng, Cheng Jinxiang, and Zhang Shou; and (Hans), a representative of the Norwegian shipowners, attended the launch ceremony.

Experts Says Laws Needed To Ensure Development

OW0112213990 Beijing XINHUA in English 1603 GMT 1 Dec 90

[Text] Beijing, December 1 (XINHUA)—Experts today suggested that legislative means be used to ensure a steady, sustained and co-ordinated economic development, which is the basis for and political and social stability.

Experts and scholars from across the country, who attended the closing session of a symposium on legal theories on the safeguarding of social stability, said that the country has been trying to realize a steady, sustained and co-ordinated development of its economy over the past decades.

The experts said that even though China has already passed through one of the most difficult periods, the country is still challenged by economic problems and new contradictions.

The experts proposed that China should regulate its economy using a macro approach and improve its legal system.

They suggested that China should draft laws involving the state's macro-control over the economy, priority industries, the country's opening to the outside world and the state supervision over the economy.

The participants also discussed legal theories concerning the democratic rights of citizens, building a clean and honest government, and public security, during the four-day symposium sponsored by the China Law Society.

Electronic Products Exhibition Opens in Beijing

OW0112132290 Beijing XINHUA in English 1257 GMT 1 Dec 90

[Text] Beijing, December 1 (XINHUA)—An exhibition featuring advanced electronic products opened in the Beijing Exhibition Center today.

Over 600 enterprises, institutes and colleges from all over the country are participating in the seven-day exhibition sponsored by the Ministry of Machine-Building and Electronics Industry.

About 5,000 products on show include electronic components, computers, complete sets of engineering and military equipment.

Industrial, Economic Reforms See Progress

OW0312225490 Beijing XINHUA Domestic Service in Chinese 0505 GMT 3 Dec 90

[By reporter Wu Shishen (0702 1102 3234)]

[Text] Beijing, 3 Dec (XINHUA)—During the Seventh Five-Year Plan period, China has achieved substantial progress in its reform in industrial and economic structures, with a marked change in macro and micro-operational mechanisms, which has brought vitality and new life to many enterprises.

China's industry, which is composed of many kinds of economic elements with the state ownership as a main component, has been further consolidated and developed. During this period, enterprises which are not run by the state outpace those run by the state, causing new change in the ownership structure. At the end of 1989, the proportions of state-run, collective, and individually run enterprises in the industry as a whole were 56 percent, 35.7 percent, and 4.8 percent respectively, while the proportion of enterprises with foreign capital and other joint ventures rose to 3.5 percent. The development of multiple economic elements has invigorated the industry and the economy as a whole and played an important role in stimulating rural and urban economy, improving the people's livelihood, and encouraging competition among enterprises.

Reform in the price system of industrial products has been carried out continuously. During the Seventh Five-Year Plan period, the emphasis of reform in the price system of industrial products has been shifted from the policy of control, which was practiced during the Sixth

Five-Year Plan period, to that of a combination of control and market-oriented economy. According to the figures published by the State Statistics Bureau, as of the end of 1989, the proportion of industrial products whose prices are set by the state dropped to 55.9 percent from 64.2 percent in 1986. There was a fairly great jump, however, in the price increase. The prices of the products of mining and raw and semi-finished materials industries scored a 40 percent and greater increase, as compared with 1985. The low prices for the products of the mining, raw, and semi-finished materials industries have been somewhat readjusted. The gap between the prices of the same kinds of products has become greater, thanks to the practice of selling good quality products for good prices, thus initially alleviating the contradiction caused by a narrow price gap between products with good quality and those with poor quality and creating a condition for the producers and business operators to use price as a leverage.

In accordance with the policy of developing socialist commodity economy, a market-oriented system is beginning to take shape. Control over the commodity market by the market mechanism has been greatly enhanced. At present, industrial products of mandatory plans have been reduced to more than 50 kinds from more than 60 kinds at the end of the Sixth Five-Year Plan Period. The proportions of major materials such as steel products, coal, cement, and timber, which should be distributed according to the state plan, have been markedly reduced. About 40 percent of industrial products can be sold by enterprises themselves. A change such as this has enabled enterprises flexibly to adapt themselves to the changes in the market and has pressured them to adapt to the market by improving their management.

During this period, state-owned enterprises have begun to be transformed from supplementaries of governmental departments to commodity producers and business operators, thanks to the policy of streamlining administration and instituting decentralization, transferring enterprises under central ministries to local authorities, and enlarging the autonomous right of enterprises. After the State Council respectively promulgated the 10 and 20 articles concerning delegating more rights to enterprises, the autonomous rights of enterprises in the fields of production and operation have been enlarged gradually to the aspects of production, sales, prices, wages, and labor administration, as well as joint ventures and investment.

According to a sample survey, the investment made by enterprises with their own funds amounts to 47.8 percent of the total industrial production investment at present time, thus creating favorable conditions for them to enhance their self-development and self-renovation ability. Particularly important is the promulgation of "the Law of Enterprises" which marks a legal protection of enterprises' autonomous right for production and management. More than 90 percent of industrial enterprises in China have practiced the system of overall

leadership by the factory director (manager), thus initially forming a new control and management system in which the factory director (manager) holds the overall responsibility for production and management while the party committee is responsible for the supervision and democratic administration of the workers and staff members.

Since 1986, industrial enterprises comprehensively have implemented various kinds of contract management responsibility systems in accordance with the principle of separation between the rights of ownership and management. The method of linking the wages of the workers and staff members of state-run enterprises to their performances has been widely in use. By the end of 1989, more than 70 percent of state-run industrial enterprises have practiced the method of linking "work efficiency" to performance, with many enterprises carrying out payment methods suitable to their own characteristics such as piecework wages, structure wages, job wages, and floating wages, and thus playing some positive role in destroying equalitarianism and arousing the initiative of the workers and staff members.

The merger of enterprises has rationalized the structure of enterprises and the product mix and enabled enterprises with favorable or unfavorable conditions to enjoy a common development. According to a survey conducted on those enterprises, which have been merged, 47 percent of them have turned from deficits to profits, with a recovery of 134 million yuan in losses. Conglomerates continue to become stronger. At present, there are more than 1,600 conglomerates of various kinds in China. Most of conglomerates have reorganized in accordance with their specialty, thus forming economies of scale and displaying their great vitality.

Separation of Profits, Taxes Viewed

HK0112060090 Beijing JINGJI RIBAO in Chinese
31 Oct 90 p 2

[Article by Yan Kalin (7051 0595 2651): "How Can We Make the 'Pie' Bigger?"]

[Text] A high level leader recently put forward a question in talks about financial problems: How can we make the "pie" bigger? The question reminds one of divergence of opinions in theoretical circles over the issue of ways to deepen reform. If we can all change our approach to the issue and focus first of all on ways to make the "pie" bigger instead of confining ourselves to "pie" distribution, it may be easier to unite all these different opinions.

Since 1987 the contract system has become a general practice among our country's enterprises. Practice over the last three years has proven that the system not only fits our national situation but also has scored outstanding results. There are some problems, however, with some even of a "congenital" nature. On the issue of ways of deepening enterprise reform there has recently

emerged three kinds of opinion: One, continue to promote and perfect the contract system; two, start transforming the contract into the stockholding system; and three, the practice of dividing profits and taxes into two different streams; that is, while standardizing enterprise income tax and lowering its rate, pre-tax loan repayment will be converted into after-tax loan repayment. That is to say, the practice of after-income tax contract.

All three opinions have their logic but the one of separating profits from taxes has become predominant and has been deemed important by all sides. Since the recent economic policy is, however, mainly oriented toward preserving stability and continuity, all have agreed that we should adhere to the contract system in the first two years of the "Eighth Five-Year" plan. But how about the post-1992 enterprise reform? Apart from studying the "Eighth-Five Year" plan and concepts for the "Ninth-Five Year" plan, theoretical circles have recently launched further discussion on this question. Because in the next three or five years there will not be conditions for general implementation of the stockholding system, the main contention of the debate is between adherence to the contract system and the separation of profits and taxes.

The side that advocates separating profits from taxes believes that this method distinguishes between the two functions of the state and two kinds of state income, regulates the distribution relations between the state and enterprises, helps guarantee financial revenue growth, helps rationalize enterprise investment decisions, and helps realize the principle of "fair tax burden and equal competition." It can be viewed as a reform in the distribution relations between the state and enterprises and as perfecting the contract system.

The side against separating taxes from profits argued that enterprises do not have a strong capability to take up profit and tax separation. Calculated on the 35 percent income-tax level as levied in pilot projects, about one third of budgetary industrial enterprises can still undertake contracts for profit delivery after taxes. Separation of taxes and profits lacks an incentive-rousing mechanism like the contract system has, and motivation of both enterprises and workers will be very affected. It will also be difficult for most of enterprises to take up the burden of after-tax loan repayment. They argue that we should not try to protect financial revenue under the guise of perfecting the contract system. In the future we should stick to improving the contract system.

Both the contract system and separation of taxes and profits are a decisive move related to the overall reform and development situation, and caution is required here. For now it seems that there are a few difficulties in promoting separation of taxes and profits. First, originally it was thought that profit and tax separation could be done through after-tax contract, and, this way, taxes can be absorbed which will help stabilize financial revenue, and the special advantage of the contract system, its incentive-whipping mechanism can be maintained,

and thus bring about a combination of two advantages: profits transformed into taxes and the contract system itself. But in practice, since after tax most enterprises are left no capability to undertake contracts for profit deliveries, the contract system is virtually abolished. At present 30 percent of budgetary industrial enterprises have deficits, with another 30 percent hanging on with marginal profits. These two kinds of enterprises would not have any capability to undertake contract for profit delivery. For another type of enterprises which practice the trade-wide over-all rationing system, the state has specified that the policy toward these enterprises remains unchanged. With all these taken away, this leave only a small number of enterprises which can undertake separation of profits and taxes.

Secondly, it was conceived that profit and tax separation could, through after-tax loan repayment, strengthen enterprise responsibility for investment. But after the separation, enterprises will experience only the problems of "one increase" (increases in profits and taxes submitted to the state), "one decrease" (decreases in retained profits), "weakening in one aspect" (loan repayment capability weakens), and "one lengthening" (loan repayment period is lengthened), which will make the job of revitalizing enterprises more difficult. Enterprises will no longer be willing to shoulder investment responsibility and their much criticized "short-term behavior" will again dominate. The special-item loans of an enterprise under the pilot scheme in Yiyang City of Hunan Province was down 33 percent in 1988 compared with previous the year, and a further 70 percent in 1989. Henan Province reported that after profit and tax separation went into effect in Nanyang City, enterprises under the pilot scheme requested increases in new items; and "almost no" enterprises applied for special item loans. Enterprise investment behavior has gone to another extreme. Moreover, by late last year the loan balance of budgetary enterprises amounted to 215.7 billion yuan. On the rate of 26.8 billion yuan in average annual repayment amount, it will take eight years to repay merely the principals, not counting the interests. Such a long repayment period is enough to drag down an enterprise. Trapped in never-ending old debt, afraid of raising new loans while facing a shortage of funds, enterprises can only forego technological renovation and capital construction. But if that is so, how can they raise efficiency, increase financial revenue and make the "pie" bigger?

Enterprise reform should consider more than rational distributions—the problem of how to cut the "pie." In the past the implementation of the second stage of transforming profits into taxes gave the largest portion of the "pie" to the state, which indeed increased financial revenue, but as enterprises were deprived of production incentive and impetus for technological renovation, there was no way to make the "pie" bigger, with the result that enterprise profits slid for 22 months in a row. This is a lesson from the past.

Enterprises have to consider, however, the problem of rational distributions. When state finance is in difficulty, profit and tax separation can ensure financial revenue. This much we should affirm. The situation in our country is different, however, from the West. And motivation mechanisms in enterprises are also different. No doubt, taxes and profits are separated in Western countries, but they have private ownership and bankruptcy as two "supports." Large state taxes exist, however, and in whatever way the state collects them, enterprises will have to struggle desperately, under the pressures of competition and bankruptcy. If they fail to make it they will go under and workers will lose their jobs, but in our country we cannot rely mainly on bankruptcy and unemployment with which to force enterprises, but only on the pull of material benefits with which to motivate enterprises and workers. And this is the superiority of the contract system. If we copy mechanically the Western model, initiating profit and tax separation but giving up the contract system, the result will be such that there is no pull in the front and no pressure from behind.

In sum, enterprise reform must fit practical conditions and our national situation; especially it must be based on the goal of strengthening enterprise vitality and encouraging them to make the "pie" bigger. At the same time, the transition from the contract system to profit and tax separation is a major policy adjustment, and bound to have a great impact. Here extreme caution is required.

Article Discusses Pattern of Workers' Income

HK0112063090 Beijing GUANGMING RIBAO
in Chinese 3 Nov 90 p 3

[Article by Xin Changxing (0207 7022 2502): "Readjustment of the Pattern of the Staff Members' and Workers' Income Is Imperative"]

[Text] In recent years, in the wake of the formation and development of the pattern of multiple income, the pattern of the staff members' and workers' income has gradually inclined toward an irrational direction. This is mainly expressed in two aspects:

1. The increase in the total amount of wages is obviously slower than the increase in the urban residents' monetary income. The proportion of the income from wages in the urban residents' monetary income becomes smaller and smaller and dropped from 74 percent in 1983 to 61 percent in 1989. At the same time, the income from aspects other than wages increases very quickly and its proportion becomes bigger and bigger. The proportion of the staff members' and workers' income from their units in other aspects than wages increased from six percent in 1983 to 9.1 percent in 1989. According to the investigation conducted by the urban investigation team of the State Statistical Bureau, the staff members' and workers' income from aspects other than wages was equal to 13 percent of their wages in 1981 and amounted to 23.6 percent in 1988, an average annual increase of 17.3 percent. An excessively rapid increase in income from

aspects other than wages aggravates the contradictions in unfair distribution in society, gives an impetus to swollen social demand, and affects the reform of wages.

2. The proportion of the standard wages in the total amount of the staff members' and workers' wages of the units under ownership by the whole people is unremittingly reduced. It was 85.8 percent in 1978, dropped year by year, and dropped to 56.6 percent in 1989, a reduction of 29.2 percentage points in 1978 and an average annual drop of 2.7 percentage points. The proportion of the amount of the bonuses and allowances in the total amount of wages becomes, however, bigger and bigger. From 1978 to 1989, the proportion of the accumulative total of all kinds of bonuses increased by 15.3 percent while the proportion of the grand total of all kinds of allowances also increased by 16.6 percent. If their increases are compared with each other, such inclination appears to be more serious. From 1980 to 1989, the total amount of wages increased by an average of 14.5 percent a year, the standard wages increased by an average of 11.3 percent a year, bonuses increased by an average of 23.2 percent a year, allowances increased by an average of 21 percent a year, and the increase in the standard wages was lower than the increase in the total amount of wages and far lower than the increase in the bonuses and allowances.

We must see that the changes in the above-mentioned pattern of the staff members' and workers' income are an improvement, as compared with the pattern of distribution prior to reform, and the increase in the staff members' and workers' income from aspects other than wages is inevitably related to opening up, invigorating the economy, and developing many kinds of economic sectors. We must not think that all income from aspects other than wages is irrational. The growth of bonuses and allowances and the increase in their proportion are also reasonable to some extent. We absolutely do not think that the pattern of distribution in 1978 was rational but only say that the growth of bonuses and allowances since 1978 was quicker than the increase in the standard wages and exceeded the rational limit. The rational gap of bonuses, as remuneration for excess labor, should have originally been widened according to the principle of distribution according to work but actually, it is not done so. Regarding allowances, a part of them is used to compensate staff members and workers for their excess or special labor but the larger part of them is used to compensate them for the actual reduction in income brought about by price increases. This part is, therefore, fairly even. In this way, the staff members' and workers' income is more and more seriously inclined toward equal distribution. It is because the widened gap of the standard wages is often watered down by the trend toward the equal distribution of allowances. This has hindered the implementation of the principle of distribution according to work, thus dampening some staff members' and workers' enthusiasm for labor. It is because of this that it is time for the pattern of the staff members' and workers' income to be readjusted.

How is the pattern of the staff members' and workers' income readjusted? The general idea is that it is essential to increase the proportion of the amount in two aspects, namely the proportion of the total amount of wages in the amount of the urban residents' income and the proportion of the amount of standard wages in the total amount of wages. Accordingly, it is necessary to gradually reduce the proportion of the income from aspects other than wages and the proportion of bonuses and allowances. In view of this, it is imperative first to adopt measures to check the swelling of income from other aspects than wages and the excessively rapid growth of bonuses and allowances and to readjust the pattern of the staff members' and workers' income in a planned and systematic way on this premise. The aim of readjustment is that the proportion of the total amount of wages in the urban residents' income is to be increased to over 60 percent and the proportion of the amount of standard wages in the total amount of wages is to be increased 80 percent or so. This target must be achieved step by step and it is likely to be accomplished during the "Ninth Five-Year" Plan but the main target should be accomplished during the "Eighth Five-Year" Plan. During the "Eighth Five-Year" Plan, we must first put the items of the price subsidies and relevant allowances now already included in the statistical sphere of the total amount of wages in the standard wages and then put the indirect subsidies for water, electricity, coal, meat, eggs, and vegetable in the standard wages. In doing so, only the pattern of the staff members' and workers' income is readjusted and the general level of their income is not affected. To prevent some allowances from swelling again, in the future, it is inadvisable to apply the method of issuing price subsidies to make up for the losses caused by price increases and the portion used to make up for the losses caused by price increases should be directly added to the standard wages. At the same time, it is also inadvisable to increase any more new indirect subsidies. Following the gradual deepened reform of the housing system, wages should increase together with an increase in rent and the staff members' and workers' indirect housing subsidies should be put in the wages. During improvement and rectification, the order of individual income and distribution must be readjusted, the system of macro regulation and control of income and distribution in society must be established and put on a sound basis, and the channels of all kinds of income must gradually be placed within the sphere of macro regulation and control.

The "Eighth Five-Year" Plan period is a good opportunity to readjust the pattern of the staff members' and workers' income. This is because the earlier stage of the "Eighth Five-Year" Plan is just the later stage of improvement and rectification and is, therefore, a good opportunity to rectify the order of individual income and distribution and to control the income from other aspects than wages. Moreover, the key of the later stage of improvement and rectification is structural readjustment and it is, therefore, just a good opportunity to readjust the pattern of income. In short, as long as the

measures are proper and steps reasonable, we can completely achieve a desired result in the readjustment of the pattern of the staff members' and workers' income.

Circulars Issued on 1991 Agriculture, Rural Work

Perfecting Household Contract System

OW0412093390 Beijing XINHUA in English
0908 GMT 4 Dec 90

[Text] Beijing, December 4 (XINHUA)—The rural household contract responsibility system is to be stabilized and perfected next year along with the establishment of a healthy agricultural social services network.

A circular, jointly issued by the Chinese Communist Party Central Committee and the State Council, on the agriculture and rural work for 1991 explained that "to perfect the system does not mean to change it, but instead means to solve the problems which occur in the process of implementation of the system." The circular said that the land contracts should be stabilized and improved, adding that as long as the contract measures are basically reasonable and the masses are satisfied, then the land contracts should not be changed.

Moreover, adjustment of plots due to land occupation by rural capital construction projects or population changes should be controlled strictly, while in rural areas where it is possible to develop agriculture on a fairly large-scale basis, adjustments can be made in the land contract system according to the wish of the masses, according to the circular.

The circular reminded local rural governments to bring into full play the initiative of the masses no matter what contract forms are adopted.

The construction of houses in the rural areas should not occupy farmland, the circular warned.

The circular said that a healthy agricultural social services network should also be developed, and urged local governments at the county and township levels to help local co-operative economic organizations to initiate more services to meet the needs of the farmers.

Local rural governments were urged to pay a greater attention to the development of new resources and finding new production methods.

The circular also urged local rural governments at the county and township levels to adopt measures, such as establishing special funds to assist poor villages in their attempts to better manage their land and collective funds, and to help them develop a diversified economy and set up rural enterprises.

The circular said that the principle of a multi-ownership economy with the collective as the main body should be continued.

Finally, the circular pointed out that the legal management of specialized families, and individual industrial and commercial households should be protected, while the legitimate rights of private rural enterprises should also be protected.

Water Conservancy, Land Improvement

OW0412093990 Beijing XINHUA in English
0927 GMT 4 Dec 90

[Text] Beijing, December 4 (XINHUA)—The Central Committee of the Chinese Communist Party and the State Council jointly issued a circular today calling for unceasing efforts in water conservancy construction and land improvement.

The circular points out that this year's bumper harvests in agriculture were due to the efficient construction of water conservancy facilities and land improvement.

Various localities are urged to make full use of the advantages of labor resources in the rural areas, and to increase organizational and mobilization activities related to farmers engaged in construction.

The circular points out that this is necessary to ensure that work continues according to plan during the forthcoming winter and spring slack seasons.

The circular stresses that main resources should be used for maintenance, support activities and reconstructing existing water conservancy projects. It says that, at the same time, some new and urgent projects must be added to further strengthen the country's ability to respond to natural disasters.

Efforts should also be aimed at improving low-yield production areas. The circular points out that efforts in mountainous areas should concentrate on terracing slopes and controlling small valleys in order to prevent water loss and soil erosion. The plain areas should stress land leveling and the construction of agricultural support facilities. Areas in the lowlands should prevent damage to land caused by flooding and saline-alkali soil, while at the same time improving irrigation systems.

The circular also requests that various localities plant more trees and improve cultivation system.

Construction works should rely on local efforts first and state support second. Funds should come from various channels including the state, the localities, collectives and farmers.

State funds will be earmarked for use in projects related to harnessing the country's larger rivers and designated key state water conservancy projects. Small projects should be built by collectives and farmers.

Water conservancy construction projects should pay more attention to scientific planning and quality, with the aim in mind of increasing agricultural production.

Comprehensive Development Plan

OW0412105690 Beijing XINHUA in English
1048 GMT 4 Dec 90

[Text] Beijing, December 4 (XINHUA)—The Central Committee of the Chinese Communist Party and the State Council announced that in the coming year China will focus on a comprehensive agricultural development plan.

The plan give full consideration to actual conditions resulting from the country's population and limited agricultural resources.

The recently released circular points out that increased emphasis will be placed on transforming low-yield farmland, while at the same time equal emphasis will be placed on making full use of waste-land and water resources, not only to grow crops and trees, but also to raise domestic livestock and fish.

In addition, the circular points out that measures will also be adopted to protect cultivated areas and agricultural resources.

The jointly issued circular stresses that comprehensive development of agriculture depends on the implementation of the following guidelines:

- Agriculture, forestry, animal husbandry, sideline production and fisheries must be increased across the board, including increase of output of grain, cotton, edible oil and meat;
- Economic efficiency must integrated with social results and ecological benefits such as improvements to mountains, water resources, forests, farmland and roads;
- Scale operation should be adopted with the newly developed natural resources;
- The responsibility system must be implemented in contracting for development, and in the management and in dissemination of science and technology, and policies must be initiated which will motivate farmers and scientific workers to participate in development; and
- Local areas must be jointly developed using a unified plan for construction.

The circular calls on localities and departments to cooperate and to consider the other entities role in accomplishing the objective.

Localities are encouraged to increase investment in agricultural production, comprehensive agricultural development, and in ensuring supplies of farm machinery and raw materials.

In addition, they are encouraged to adopt scientific farming, train qualified people, spread the use of

improved seeds, study and introduce advanced cultivation and breeding techniques, and increase management efficiency, which will lead to an increase in the economic efficiency of agriculture.

Song Jian Closes Spark Plan Work Meeting

OW0312052290 Beijing XINHUA Domestic Service
in Chinese 1455 GMT 30 Nov 90

[By reporters Zhu Yu (2612 5038) and Wu Xiao Bo (0702 2556 3134)]

[Text] Hangzhou, 30 Nov (XINHUA)—At the closing of the fifth national work meeting on the Spark Plan in south China, Song Jian, state councillor and minister in charge of the State Science and Technology Commission, pointed out: China's science and technology front must place the boosting of the advancement of agriculture and the rural economy in a priority strategic position. He called on scientific and technical personnel throughout the country to fight hard and continuously implement the Spark Plan during the Eighth Five-Year Plan period and work hard in developing socialist rural commodity economies.

According to a responsible person in the State Science and Technology Commission, since the implementation of the Spark Plan, which uses science and technology to guide peasants to prosperity and power with socialist planned commodity economies as the fundamental objective, in the last five years, more than 20,000 spark projects have been launched, over 10,000 of which have flowered and come to fruition. They have generated an additional production value of over 22 billion yuan, additional taxes and interest of 5.53 billion yuan, export earnings of \$2.34 billion; developed more than 100 sets of technical equipment suitable for rural production; and trained more than five million qualified people of various categories. The Spark Plan has already fulfilled the various missions of spark projects under the Seventh Five-Year Plan ahead of schedule.

During the course of its implementation, the Spark Plan has created a brand new scientific and technological operating system, promoted the establishment and development of a two-tier economic management system in rural areas, and provided new experience in deepening reform and sustaining progress in rural areas. The Spark Plan is generally recognized by various social circles as a successful model of reform of the scientific and technical management system and a powerful motivating force in guiding rural areas to develop their socialist rural commodity economies.

The State Science and Technology Commission has already drawn up a blueprint for the Spark Plan during the Eighth Five-Year Plan period. Central authorities have defined the direction for proceeding from the practical situation and gradually improving the two-tier economic management system in rural areas. The blueprint will become the fundamental policy and principle for implementing the Spark Plan in the Eighth Five-Year

Plan. The Spark Plan for the Eighth Five-Year Plan, must, on the basis of the Seventh Five-Year Plan, upgrade its standards, expand its scale, promote concerted efforts, establish a solid entity, perfect its services, and lean toward three aspects, including supporting industries, regional comprehensive development, and two-tier management. It is necessary to open up new industries, establish new fields of production, and divert the surplus labor force in rural areas by creating more employment opportunities. It is necessary to open domestically as well as to the outside world on a larger scale so as to speed up the prairie fire's spread. During the Eighth Five-Year Plan period, the Spark Plan must be further improved in breadth, depth, and support. To accomplish the grand objective of doubling the gross national product by the end of the century, science and technology must make new contributions.

In his speech, Song Jian pointed out: During the Eighth Five-Year Plan period, governments at various levels, as well as scientific and technical circles must continue to work hard and with concerted efforts to provide powerful scientific and technical motivating force for realizing the transition from a natural economy to a socialist commodity economy in rural areas and raising the production rate of the labor force in rural areas through the Spark Plan, the Prairie Fire Program, and the Bumper Harvest Program. For this reason, it is necessary to advocate science and technology's support for agriculture. Moreover, it is necessary to work hard with concerted efforts in collaboration with various ministries and departments, including agriculture, finance, materials and equipment, commerce as well as various circles in society so as to achieve greater results. We need a large number of dedicated scientific and technical workers who passionately love the motherland and the people to wholeheartedly and conscientiously bring the benefits of science and technology to rural areas. Governments at various levels must further adopt new measures to encourage and absorb qualified scientific and technical personnel in various fields into the promising world in rural areas to display their ability, giving them greater care and support and creating a favorable working environment and living conditions for them.

Science, Technology Role Stressed

OW0312144590 Hangzhou Zhejiang Provincial Service
in Mandarin 1000 GMT 1 Dec 90

[From the "Provincial Hookup" program]

[Text] Song Jian, state councillor and minister in charge of the State Science and Technology Commission, answered questions from reporters in Shaoxing, Zhejiang, yesterday. He said: The revitalization of Zhejiang lies in science and technology. It is necessary to develop industries of high and new technologies and to make full use of the abundant human resources in Zhejiang.

During his stay to attend the fifth national conference on the Spark Plan, which just concluded, Comrade Song

Jian inspected Ningbo, Zhoushan, and Hangzhou. Deeply impressed, he observed: People in Zhejiang are very intelligent. Take my teacher, Qian Xuesen, for example. He came from Hangzhou.

Song Jian highly praised peasant-turned entrepreneurs in Zhejiang, such as (Xu Hangen), director of Shangyu [words indistinct] Plant. Under (Xu Hangen)'s leadership, and by making use of science, technology, and human resources, the plant has won the State Award for Quality Management, the only one to garner this honor from among the more than 10 million rural enterprises in the country. Song Jian said: I admire him very much. Born and brought up in Zhejiang, he really is extraordinary to have such a vision.

Comrade Song Jian expressed his belief that science and technology depend on human resources. He said: Zhejiang has very excellent human resources. Zhejiang shall make full use of such resources because there is no better means with which to succeed.

Reviewing China's sufferings from imperialist aggression and oppression in its modern history, Comrade Song Jian said: One important reason why China was so vulnerable in the past is that it lacked science and technology. Science is the main framework upon which modern civilization was established. No nation can stand tall in the world without science.

As for the Spark Plan, Comrade Song Jian said: The Spark Plan is a program that enhances people's well-being, because it brings science and technology to the rural areas and helps peasants to break away from the antiquated natural economy.

When he learned that many scientists and technologists have joined the Spark Plan in Zhejiang, Song Jian said: This is a very good beginning, but more efforts are needed. Aside from making full use of its existing human resources, Zhejiang needs to nurture a large number of young scientists and technologists who love the motherland and the people and who have the spirit of dedication, and encourage them to use their knowledge and skills to help revitalize Zhejiang.

Jiang, Li Join in Beijing Farm Project Campaign

OW0412091690 Beijing XINHUA in English
0856 GMT 4 Dec 90

[Text] Beijing, December 4 (XINHUA)—Farmers in Beijing's suburbs have expanded irrigation on 480 hectares of farmland, improved erosion control on 1,000 ha, and strengthened flood control on over 4,700 ha, as part of this winter's on-going construction of agricultural projects.

Today's BEIJING DAILY reports that a ten-year record of 34.6 million cubic meters of earthwork has been completed since the campaign started on September 20. The daily says that over 16.4 million labor days have

been devoted to the construction of irrigation facilities and the improvement of poor farm land.

Communist Party General Secretary Jiang Zemin and Premier Li Peng, as well as 230,000 office workers, soldiers, students, joined in the campaign.

Leaders Stress Agriculture's 'Primary Place'

HK0412021290 Hong Kong SOUTH CHINA
MORNING POST in English 4 Dec 90 p 11

[By Willy Wo-lap Lam]

[Text] Party chief Mr Jiang Zemin, Prime Minister Mr Li Peng, and other top leaders spent yesterday morning digging irrigation channels at a farm outside Beijing in a bid to emphasise the "primary place of agriculture".

They also underscored the importance of collectivisation, noting that mechanisation and large-scale production are the key to building up infrastructure.

In a throwback to the Cultural Revolution, cadres, soldiers and ordinary citizens sweated together in a celebration of proletarian solidarity.

Consistent with the conservative trend in the economy, Mr Li emphasised the virtues of the collective approach.

"We must mobilise the broad masses to grasp agriculture," he said, adding that developments in the past year have been encouraging.

"We have not only put more men (into agriculture) but raised the level of mechanisation. Organisation has been better."

In a revival of yet another Maoist value, Mr Jiang highlighted the role of the military in political and economic work.

Saluting soldiers working in the field, he said: "I knew that you would be here. Defending the frontiers, maintaining social stability. Wherever there is a need, the People's Liberation Army will be there."

Mr Jiang asked cadres and farmers present "to never forget that agriculture is the foundation" and that it is essential to economic prosperity and political stability.

Analysts say that besides reflecting the need to feed the growing population, the top priority the leaders are according agriculture reflects the ascendancy of the ideas of conservative patriarch Mr Chen Yun.

Mr Chen has in recent years criticised the party's liberal wing for neglecting agriculture.

Village, Town Enterprises Said Developing Rapidly

OW0112092390 Beijing XINHUA Domestic Service
in Chinese 0633 GMT 27 Nov 90

[By reporter Jiao Ran (3542 3544)]

[Text] Beijing, 27 Nov (XINHUA)—Village and town enterprises in our country have developed rapidly during the Seventh Five-Year Plan as a result of reform and opening to the outside world. Turning from "ugly ducklings" in the past into golden phoenixes" today, they have become an important sector of the national economy. According to the Ministry of Agriculture, after five years of hard struggle and self-development, village and town enterprises' output value has increased by more than 650 billion yuan, rising to 26 percent of the total social product from 16.5 percent. The fact that non-agricultural output value tops agricultural output value has also brought about a historic change in the rural economy.

The vigorous development of village and town enterprises has opened up a way to modernize our rural areas with Chinese characteristics. During the Seventh Five-Year Plan period, the party Central Committee and the State Council paid close attention to the enthusiasm of hundreds of millions of peasants in developing village and town enterprises. General Secretary Jiang Zemin said: "Without village and town enterprises, there would be no money; then, not only would the 'vegetable baskets' and 'rice bags' be empty, but it would also affect state revenues and foreign exchange earned through export." Premier Li Peng commented: "The village and town enterprises have played a significant role in the development of China's economy, particularly the rural economy. They have already become an important component of the national economy." The track of village and town enterprises' development has forcefully proven this point.

During the Seventh Five-Year Plan period, village and town enterprises in our country gradually became stronger from a weak position after surmounting numerous difficulties. They have greatly contributed to promoting the development of the national economy. From 1985 to 1989, the village and town enterprises' profits and tax payments increased by more than 100 percent. The net increase in taxes they paid to the state was 27 billion yuan, accounting for over half of the net increase in total state tax revenues over the same period. During the same period, the village and town enterprises annually provided about 15 billion yuan for rural education, construction of small towns and cities, support of agriculture, and the employment of a surplus labor force of more than 25 million in the rural areas. A statistical department report shows that in areas where village and town enterprises are more developed, conditions for agricultural production are improved more quickly, and the level of grain production is higher.

During the Seventh Five-Year Plan period, village and town enterprises in our country seized the good opportunity provided by reform and opening to the outside world to compete with one another in developing into first-rate enterprises and producing top-grade products. They actively entered the international economic arena. According to preliminary statistics, during these five years, the net increase in total export value by enterprises

at the village and township levels alone was 35 billion yuan, averaging an annual increase of 7 billion yuan. The total export value of those enterprises accounted for more than 24 percent of the total national export value as opposed to 4.8 percent in 1985. Now the village and town enterprises annually earn more than \$10 billion in foreign exchange for the state, becoming a new force in earning foreign exchange.

During the Seventh Five-Year Plan, a major characteristic of the development of the village and town enterprises was an increase in the quality of the enterprises and their products through establishment of contacts with scientists and technicians and realization of major technical transformations and innovations. Now the village and town enterprises have more than 2.5 million personnel, including engineers, technicians, accountants, economists and salesmen, whose permanent residences are registered in towns and cities. In addition, about 1 million "Sunday engineers" and coordinating experts from various scientific research units actively work in factories and workshops of village and town enterprises on a flexible schedule. Nowadays, almost all scientific research units in institutions of higher learning have some personnel working in village and town enterprises. According to relevant data, 60 percent of scientific research results achieved during the Seventh Five-Year Plan period were popularized in village and town enterprises. During the Seventh Five-Year Plan, the village and town enterprises have considerably improved the quality of their products. More than 2,000 types of products have entered the international market. Some 1,000 products were given the label of high-quality products by the state, ministries, or provincial authorities, and 16 products were awarded international gold, silver or high-quality prizes.

During the Seventh Five-Year Plan, the scale and standards of village and town enterprises have also increased or improved considerably. According to statistics, the value of their fixed assets increased to more than 260 billion yuan from 91 billion yuan. The scale of enterprises at the village and township levels expanded, and the value of each enterprise's fixed assets increased, on average, to 125,000 yuan from their original value of less than 50,000 yuan. There are 3,076 new enterprises each with an output value of more than 5 million yuan, and over 14,000 new enterprises are graded according to their production levels. Currently, among the village and town enterprises, there are one first-class enterprise and 65 second-class enterprises at the national level, and 528 advanced enterprises at the provincial level.

Integrated Farming Development Scores Results

HK0312140690 Beijing XINHUA Domestic Service
in Chinese 0259 GMT 3 Dec 90

[Report by Lu Yongjian (7773 3057 1696): "Integrated Farming Development During the "Seventh Five-Year Plan" Launched the Rural Economy Into Comprehensive Development"]

[Text] Beijing, 3 Dec (XINHUA)—As the implementation of the "Seventh Five-year Plan" enters its final winter, a total of 26 provinces, autonomous regions, and municipalities directly under the central government, and six cities separately listed in the plan have reached, one after another, the height of comprehensive rural economic development triggered by integrated farming development.

Large-scale integrated farming development is an important strategic move in our country's agricultural development during the "Seventh Five-Year" plan. Aimed at the enormous farming production potential in the 1 billion mu or so middle- to low-yield grainfields, about 500 million mu of wasteland, 6 billion mu of grassland, grassy hills and slopes, 85 million mu of exploitable fresh water areas, and 30 million mu of beach areas across the country, the move has provided intensive capital, material, technological and labor input; is an integrated remedy for hills, waterways, fields and villages, directly contributing to the grain, cotton, and oil bumper harvests over the last two years; and more importantly, raising the integrated farming production capacity and thus strengthening the agricultural reserve strength of our country.

If the recently established plowing and breeding projects on the beaches of Chongmingdao of Shanghai are included, there will be 35 farming development projects listed in state investment. Provinces (autonomous regions and municipalities directly under the central

government), localities (cities), and counties have generally strengthened work on farming development zones. Importing foreign capital with which to carry out farming development is another important way. Experts estimate that, not counting peasants' capital and labor input, capital spent on farming development over the last few years has topped 10 billion yuan. As a result, conditions in farming production have significantly improved.

In large-scale farming development, localities have combined resource exploitation with technological exploitation and have been vigorously engaged in revitalizing farming with technology. Spurred by various preferential policies, scientific and technological staff threw themselves into farming development in their tens of thousands. Revolving around a certain project, they conducted optimal cross-regional and interdepartmental combinations; popularized technological packages designed according to different local conditions to increase farm yields; and summed up and invented yield-increasing technology which has resulted in "grainfields that yield grains by tonnes." The efforts of technological staff and the peasants' zeal to develop have combined to tap further the potential of the land.

A few years have gone by and close to 10 million mu of cultivable wasteland has been opened up and plowed, 40 million mu of middle- to low-yield fields transformed, and water conservancy for farming purposes have generally been strengthened. Experts have predicted that during the "Eighth Five-Year" plan our integrated farming development will continue to not only expand in scale but also to appear in new forms.

East Region

Anhui's Lu Rongjing Stresses Water Conservancy

OW0312230090 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 2 Dec 90

[From the "Provincial News Hookup" Program]

[Text] Provincial farmland capital construction headquarters held an on-the-spot report meeting in Fuyang County 28 November-30 November on farmland capital construction of water conservancy in the Huaibei regions. Through on-site inspection and exchanging experience, it is hoped that the enthusiasm of a vast number of cadres and of the masses for building water conservancy projects will be stimulated further and that a solid job can be accomplished in water conservancy work throughout the province in December.

Lu Rongjing, secretary of the provincial CPC Committee, attended and spoke at the meeting. He called on the leaders of prefectures, cities, and counties from Huaibei areas. He also sent regards and expressed his thanks to a large number of cadres and the masses who work hard on the frontline of water conservancy projects. He pointed out: The value of water resources is not limited purely to agriculture. Shedding poverty and becoming rich, and readjusting production structure, industrial production, and human existence are inseparable from water. Water conservancy is a basic project and a basic industry. If we are unable to do a good job in water conservancy work, we will not be able to invigorate the Anhui economy. Lu Rongjing stressed: The masses are the real heroes in building water conservancy projects. However, leadership is crucial in helping build the projects. Building water conservancy projects is a way of directly doing positive, concrete things for the masses. When engaging in water conservancy projects, leading comrades at all levels should have great determination and strong willpower, take scientific approaches, be prepared to fight a protracted battle, and rely on the masses. They should know that the longer they wait, the more they will land themselves in a passive position, and the quicker they take action, the sooner they will gain the initiative.

When Comrade Lu Rongjing learned of the fact that more than seven million people throughout the province have been engaged in water conservancy projects and that 136 million cubic meters of earth and stone work has been completed, he was greatly moved. He called on a small minority of slow-acting areas to double their efforts to catch up in the December water conservancy month. Leaders will be held responsible for adversely affecting the building of water conservancy projects. Top party and government leaders must undertake responsibility. Leaders who are assigned specific tasks also should bear responsibilities.

The meeting affirmed the current good momentum maintained in building water conservancy projects throughout the province. The meeting held that Fuyang

Prefecture has set a clear guiding policy of combining the building of water conservancy projects with the readjustment of production structure; that Suxian Prefecture has been practical, stressed practical results, and mobilized the enthusiasm of the masses in building water conservancy projects; and that we can learn from the experience of Huainan city, which has placed emphasis on high-quality water conservancy work. The meeting stressed: The provincial CPC Committee and the provincial government have decided to focus the development of agriculture in Huaibei. Therefore, the building of water conservancy projects in Huaibei should be stepped up. In developing agriculture in Huaibei, water conservancy work must be given priority. The meeting called for the establishment of the leader responsibility system and the concentration of efforts in doing a good job in water conservancy work in December. It called for mobilizing reserve forces and striking a balance in water conservancy work, so as to ensure the completion of 80 percent of earth and stone work before the New Year Eve. Water conservancy departments at all levels should provide more technical assistance and stress practical results. The meeting called for making farmland capital construction of water conservancy projects the focus of rural work in winter water conservancy work. It called for concentrating efforts and for labor forces to complete the task of earth and stone work with high standards. Finally, it also called for working out good plans for afforestation, family planning, and other work.

Anhui Governor Speaks at Nonstaple Food Meeting

OW0312225190 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 2 Dec 90

[By reporter Chen Jin; from the "Provincial Hookup" program]

[Text] The sixth provincial meeting on the Vegetable Basket Project in cities was held in Wuhu City recently. Governor Fu Xishou spoke at the meeting, fully affirming the work related to vegetables and other nonstaple foods in Anhui. Vice Governor Zhang Renxia attended and made a report at the meeting.

The meeting transmitted the guidelines of the national work conference on nonstaple foods in large and medium-sized cities, and summarized the work related to vegetables and other nonstaple foods in Anhui in the past three years.

It was pointed out at the meeting that since the implementation of the Vegetable Basket Project in 1988, Anhui has concentrated efforts on a target a year, with regard to markets, and has conducted solid groundwork, thereby improving the production and marketing situation of vegetables and other nonstaple foods year after year. In 1988, in accordance with the principles of relying mainly on suburbs and on the outer suburbs as subsidiaries for vegetable and other nonstaple food supplies and of adjusting the market with nonstaple foods from other places to ensure supplies, the province paid

close attention to exclusive vegetable fields, extended second and third line production bases, and adopted various related measures to stabilize the vegetable growing labor force. In 1989, through disseminating Huainan city's experience, the province developed a number of production bases for such major nonstaple foods as meat, poultry, eggs, milk, and aquatic products. This year, concentrating efforts on applying more scientific vegetable growing techniques, Anhui has adopted measures to cultivate fruit and vegetable seedlings, increase the cultivation on protective zones, popularize the technique of covering vegetables with sunshades, import new vegetable seeds, introduce a 10,000 mu vegetable bumper harvest plan and (?extended fall) cultivation, and set up mechanized hog and chicken production lines. In this way, a series of vegetable production bases in various forms and at different levels have been set up in Anhui, and cities have considerably built up their capabilities to produce vegetables, resist natural disasters, and supply themselves with nonstaple foods. In 1989, the [word indistinct] and quality of vegetables sold in cities directly under the provincial government improved markedly, with a greater variety of fresher vegetables. In the first three quarters of this year, retail vegetable price increases were much lower than the average retail price increase in Anhui. The Vegetable Basket Project has played an important role in stabilizing prices, popular feelings, and the overall situation.

In particular, the meeting discussed and studied planning the work related to vegetables and other nonstaple foods in Anhui during the Eighth Five-Year Plan. The meeting participants put forth a preliminary plan, which calls for efforts at laying the groundwork in the first two years and raising the quality in the last three years. The basic principle of the preliminary plan is as follows: On the basis of continuing the policies that have proved effective during the Seventh Five-Year Plan, it is necessary to proceed from reality in adopting measures suited to local conditions, working out overall plans, carrying out rational distribution, and giving guidance at different levels in further developing production and raising the levels of effective supply in cities.

In light of the fact that cities directly under the prefectural governments have just been inaugurated, and that work at the county level has not yet taken shape, the meeting called on all counties and cities to step up efforts to map out plans and measures for implementing the Eighth Five-Year Plan. While stabilizing policies and the areas of vegetable fields, it is necessary to further improve production and marketing systems, consolidate and perfect the construction of bases, transform extensive management into intensive management, and raise the utilization rate and input-output rate of land, so that cities directly under the provincial government can build up their self-supply capabilities in eggs, fish, and milk while improving the quality of vegetables and meat supplies, and that cities directly under the prefectural governments and counties can be basically self-sufficient in vegetables, meat, eggs, and fish during the Eighth Five-Year Plan.

The meeting was chaired by (Ling Lin), deputy secretary general of the provincial government, and attended by officials from relevant provincial departments, prefectural administrative offices, cities, and some counties. During the meeting, the participants visited the (Tengtangyan) marketplace, the (Sanshan) wholesale vegetable market, and other vegetable farms and markets in Wuhu City.

Jiangsu's Shen Daren at Chemical Group Opening

*OW0112181190 Nanjing Jiangsu Provincial Service
in Mandarin 1015 GMT 29 Nov 90*

[Excerpts] The first privately run transregional business group in Jiangsu, the Nanjing Chemical Industry Corporation, was founded today. Gu Xiulian, Minister of Chemical Industry, and Shen Daren, Chen Huanyou, Han Peixin, Zhang Yaohua, Liu Xinghan, and Wu Xijun, responsible comrades of Jiangsu and Nanjing city, were present at the inauguration ceremony. [passage omitted]

Minister Gu Xiulian and Governor Chen Huanyou each spoke in turn during the occasion.

In his speech, Chen Huanyou noted that the purpose of setting up business groups is to foster new productive forces, and to develop the economy further. He expressed the hope that the newly established Nanjing Chemical Industry Corporation will keep a firm grasp on this fact by breathing new life into old enterprises, and developing together as a whole. It should exert the advantage of operating as a group and use the opportunity of restructuring to upgrade the product mix and the technical structure with a view to increasing its flexibility and enhancing its capability to export overseas.

Shandong's 1986-1990 Foreign Trade Development

*SK0412020690 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 3 Dec 90*

[Excerpt] The Shandong peninsula economic open zone currently includes seven cities and 53 counties, cities (shi), and districts; occupies an area of more than 60,000 square kilometers; and has more than 31 million residents, making up about 40 percent of the province's total population. Development of an export-oriented economy thus has taken shape initially throughout the province.

The province's foreign exchange earnings from exports increased by more than 12 percent annually during the Seventh Five-Year Plan period. Last year the province generated \$3.06 billion in foreign exchange through exports; this put the province fourth in China. This year the province is expected to generate \$3.35 billion in foreign exchange.

Before the Seventh Five-Year Plan period, our province used small amounts of foreign capital. At present, our province has approved more than 2,300 items that use foreign capital and has signed contracts on using \$2.7

billion in foreign capital. The development of foreign economic and trade relations has helped promote the import and application of advanced techniques. In terms of techniques and equipment, more than 40 percent of the province's enterprises have attained the domestic standards of advancement, and some of them have attained international standards of advancement.

Since the beginning of the Seventh Five-Year Plan period, our province gradually has expanded the spheres by which it can open itself to the outside world. At present, our province has established economic and trade relations with more than 150 countries and regions; established various kinds of friendship ties with more than 80 places abroad, and set up more than 40 economic and trade enterprises and organizations in foreign countries. [passage omitted]

Shandong's Shengli Oil Field Development Viewed

SK0412030290 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 3 Dec 90

[Summary] During the Seventh Five-Year Plan period, the Shengli oil field, the second largest oil field in China, achieved great development in production and construction. The annual crude oil output increased from 27 million tons in 1985 to 33.5 million tons in 1990. So far, the daily production of crude oil has reached more than 93,000 tons. The oil field is expected to overfulfill the 1990 annual plan of producing 33.5 million tons of crude oil.

Central-South Region

Guangxi's Zhao Fulin at Regional CPPCC Meeting

HK0412050390 Nanning Guangxi Regional Service
in Mandarin 1130 GMT 1 Dec 90

[Excerpt] The 15th Meeting of the Standing Committee of the Sixth Autonomous Regional CPPCC Committee was held in Nanning 28 November-1 December.

The meeting relayed and studied the spirit of an important speech made by General Secretary Jiang Zemin during his inspection in Guangxi, and held consultations and discussions on the basic thinking concerning Guangxi's 10-Year Plan and Eighth Five-Year Plan.

Regional party and government leaders, including Zhao Fulin, Cheng Kejie, Liu Mingzu, Zhong Jiazuo, Hou Depeng, Chen Ren, and (Yuan Zhenzhong), attended the meeting.

Regional CPPCC Committee Vice Chairmen Ou Jiwen, Huang Yuyang, Lu Yunnan, Huang Dufeng, Wei Ruilin, Ma Minglong, Yao Kelu, and (Wu Keqing) and Secretary General (Chen Ning) attended the meeting.

Regional party committee Secretary Zhao Fulin and Regional People's Government Chairman Cheng Kejie delivered speeches.

Zhao Fulin said that all the members of the regional CPPCC committee did a lot of work for Guangxi's economic construction in the past and expressed the hope that they would make continued efforts and greater contributions to Guangxi's future development. He said: The regional party committee will, as always, continue to support the work of the regional CPPCC committee and continue to listen to the views and suggestions of the regional CPPCC committee members on important issues.

After listening to the views and suggestions put forward by the regional CPPCC committee members with regard to the basic thinking concerning Guangxi's 10-Year Plan and Eighth Five-Year Plan, Cheng Kejie expressed thanks to them and outlined the basic thinking concerning the plans. He said: In the next five years, we will concentrate our efforts primarily on laying a good foundation, which means building communications, energy, and raw material bases. He said: Such a good foundation will guarantee the attainment of the goals we have set for the end of this century.

Regional CPPCC Committee Chairman Chen Huiguang relayed the spirit of the important speech made by General Secretary Jiang Zemin during his inspection in Guangxi. Chen Huiguang also made arrangements for the CPPCC work in the future. [passage omitted] ?

Hubei Secretary Attends Mountain Area Meeting

HK0412091190 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 30 Nov 90

[Excerpts] In Wuchang 25-29 November, the provincial party committee and government held a provincial meeting on mountain area work. The meeting aimed at further implementing the series of principles and policies the party Central Committee and the State Council formulated to guide the work of helping the poor and developing the mountain areas; reviewing the implementation of mountain area policies in recent years; analyzing the situation of economic development in mountain areas; exchanging experience; commending advanced individuals and units; and discussing and defining our efforts' guiding principle, objective, orientation, policies, and measures to further strengthen the development and construction of mountain areas, and the work of helping the poor.

Provincial party Secretary Guan Guangfu delivered a speech on mountain area work. The speech by Guo Shuyan, provincial party deputy secretary and governor, addressed the mountain areas' economic development and policies. Provincial party Deputy Secretary Qian Yunlu summarized the meeting.

During the meeting, the provincial party committee and government submitted for discussion a draft of the decision to further strengthen the work of helping the poor and developing the mountain areas in the Eighth Five-Year Plan period, invited from Yichang and Yingshan Counties a number of individuals and units that had achieved

marked results in mountain area construction and the work of helping the poor to pass on their experience, and commended 50 advanced units and 157 advanced workers in mountain area construction. The provincial party committee and government also made a decision on learning from these advanced units and workers.

The meeting held that since the 1985 third meeting of the provincial party committee on mountain area work, with five-year efforts in helping the poor and developing mountain areas, mountain areas have scored marked results in their construction. However, owing to some historical reasons, as well as social and geographical environment restrictions, life in mountain areas remains relatively difficult, and the uneven development of mountain area construction, as well as the work of helping the poor and developing mountain areas, still exists. [passage omitted]

The meeting forwarded a general requirement in the work of helping the poor and developing and building mountain areas during the Eighth Five-Year Plan to the effect that, under the prerequisites of further preserving the ecology and steadily resolving the problem of the masses' food and clothing, mountain areas gradually will enter a new phase of economic development, which aims primarily at having them lift themselves out of poverty and get rich. The principal tasks are as follows: Efforts should be taken to consolidate the food-clothing project, particularly concentrating forces on an early resolution of the food and clothing problems for some masses, a problem not yet resolved in the Seventh Five-Year Plan period; raise the proportion of industry in the whole economy and that of diversified economy in agriculture on the basis of enhancing economic performance; maintain a steady growth in grain production and strive to raise the per capita standard of grain possession; further step up the exploitation of resources and the building of mainstay industries, and set up mountain area experimental sites for developing commodity economy as well as science and technology; gradually augment economic strength and ensure an average increase of more than 30 yuan in peasants' annual per capita net income; strengthen the building of fundamental facilities, such as water conservancy, electricity, transportation, communications, as well as household plots and cash-crop fields; further change the face of mountain areas, step up undertakings of science and technology and education, and appropriately develop various other social undertakings; enable financial self-sufficiency at the city and county levels; and while enhancing the quality of population, keep its natural growth rate within 12 percent.

The meeting considered it necessary to make clear the following significant issues concerning the guiding principle and work steps in realizing the goal of helping the poor and developing mountain areas:

1. Make grain production self-sufficiency a basis for mountain area development and construction, and always give top priority to resolving the masses' food and clothing problems;

2. Vigorously develop a diversified economy and enable it to become a mainstay industry through processing and extension on the basis of resource exploitation;

3. Importance should be attached to building fundamental facilities in mountain areas, doing a good job in the capital construction of water conservancy, gradually improving production conditions, and further strengthening the building of transportation so as to step up the commodity economy's development in mountain areas;

4. Rely on the progress of science and technology to enhance the quality of mountain area development;

5. Efforts should be made to make counties, villages, and peasants rich simultaneously so as to develop the mountain area economy in an overall way;

6. Continuously integrate economic exploitation with ecological environment preservation, and economic development with population control;

7. Keep up the efforts to deepen reform and open up, and be bold in enlivening the economy. Methods and measures unfavorable to the mountain areas' productivity development should be reformed under the prerequisite of sticking to the socialist orientation.

The meeting emphasized the vigorous implementation of the series of party Central Committee and State Council principles and policies guiding the work in helping the poor and developing mountain areas. The 50 policies formulated by the 1985 meeting of the provincial party committee on mountain area work are correct and very popular among the vast numbers of cadres and masses, and therefore should be carried out continuously. At this meeting, some new policies were added in accordance with the new situation. [passage omitted]

The meeting also emphasized that, with the future in mind and based on current achievements, we should lay a solid foundation and make a good start this winter and next spring, striving for a good beginning in helping the poor and developing mountain areas in the Eighth Five-Year Plan period. Efforts should be made in the following:

1. What has been done in mountain areas should be summarized in a thorough and overall way so as to deepen ideological understanding, try and obtain a clearer picture of the real situation and future orientation, make the party's policies known to every household, and further mobilize and organize cadres and masses to participate in the development and construction of mountain areas;

2. A practical development program should be worked out to enable popular use of science and technology in mountain area development and construction, and avoid blindness;

3. The implementation of various policies should be grasped firmly and the solemnness of these policies preserved;

4. This winter and next spring's mountain area development and construction should be grasped well, so as to achieve new progress and improvement;

5. The building of grass-roots party organizations and spiritual civilization should be strengthened so as to provide an organizational and ideological guarantee for the smooth progress of mountain area development and construction;

6. Various departments should continue to work vigorously to support mountain areas. [passage omitted]

More than 200 people attended the meeting, including provincial party committee, advisory committee, discipline inspection commission, people's congress, government, CPPCC, and military district leading comrades Ding Fengying, Tian Qiyu, Zheng Yunfei, Wang Shen, Chen Ming, Huang Zhizhen, Zhang Huainian, Han Nanyang, Shen Yinluo, Mu Changsheng, and Lin Shaonan; provincial party committee Secretary General Lu Naiqiang; party and government responsible persons of all prefectures, cities, and mountain area counties and cities; responsible persons of affiliated departments of the provincial party committee, as well as concerned universities, colleges, and large-scale factories and mines; and responsible persons of the Group for Helping the Poor and Developing Mountain Areas accredited to Hubei by the State Science and Technology Commission and the Ministry of Agriculture.

Southwest Region

Guizhou's Liu Zhengwei Inspects Zunyi Prefecture

HK0412074390 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 1 Dec 90

[Excerpts] During his inspection in Zunyi, provincial party committee Secretary Liu Zhengwei pointed out: In formulating the Eighth Five-Year Plan, all areas must understand the provincial, prefectural, and county situations correctly, and must adhere to the work method of seeking truth from facts in order to make the Eighth Five-Year Plan more conformable with reality.

From 28 November to 1 December, accompanied by leaders of Zunyi Prefecture and Zunyi City, Comrade Liu Zhengwei inspected the Zunyi ferroalloy plant, the Zunyi titanium plant, the Zunyi cigarette factory, the Zunyi winery, the construction site of the Guizhou Hangtian light automobile manufacturing base, the Zunyi aluminum plant, and the Jiayi winery. He met with and extended his appreciation and greetings to the staff and workers laboring on the forefront of production and construction.

During his stay in Zunyi, Comrade Liu Zhengwei listened to reports by the leaders of Zunyi Prefecture and Zunyi City on their current work and the blueprint for their eighth five-year plans. He fully affirmed the achievements scored by Zunyi Prefecture in the Seventh Five-Year Plan period and spoke highly of the plan by

the Zunyi prefectural party committee and the Zunyi prefectural administrative office for greatly developing cigarette, wine, metallurgical, and chemical industrial productions in the Eighth Five-Year Plan period. [passage omitted]

Comrade Liu Zhengwei pointed out: At present, all areas of our province are contemplating and formulating the eighth five-year plan. In formulating the plan, all areas must conscientiously review and sum up experiences and lessons gained in the Seventh Five-Year Plan period; correctly assess and scientifically analyze achievements; further deepen their understanding of the provincial, prefectural, and county situations; and adhere to the method of scientific analysis and seeking truth from facts so as to make the eighth five-year plan more conformable with objective realities.

During his stay in Zunyi, Comrade Liu Zhengwei also went to Zunyi's (Bali) township to see the peasants devastated by natural calamities. He asked in great detail about their production and living arrangements, and called on the party and government leaders at all levels to correctly view the natural calamities, guard against blind optimism and slackness, overcome bureaucratism and prevent equalitarianism in production, and establish a relief work-oriented responsibility system at all levels so as to really implement all the relief measures to the letter at each and every level.

Sichuan's Yang Rudai on Anticorruption Work

HK0412025790 Chengdu Sichuan Provincial Service in Mandarin 1015 GMT 30 Nov 90

[Text] Yang Rudai, secretary of the provincial party committee, told the chief procurators who attended a provincial work conference which opened today that combating corruption and bribery is a long-term activity. We should keep tabs on it persistently, and carry out reform and opening up while cracking down on economic criminals. We should strike criminals accurately, relentlessly, and in a timely manner, so as to effectively deter them.

He adequately affirmed the achievements scored by procuratorial organs in cracking down on criminals who were found guilty of corruption, bribery, and criminal offences.

He pointed out that currently the most pressing central task for the whole party and people is to lose no time in pushing the national economy forward and achieving its sustained, stable, and coordinated development. To this end, we must maintain political stability within the country. The procuratorial organs, as an instrument of the proletarian dictatorship, must do a good job in strengthening themselves politically and organizationally, in the spirit of setting strict demands on procuratorial organs as required by the central authorities. They must stress key tasks and guarantee the quality of their work. In particular, they should concentrate their fire on

criminal gangs. In dealing a heavy blow against criminals, we must focus on key targets, striking accurately and relentlessly at principal culprits rather than arresting many people. At present, people with a lower educational level, including young people and peasants, account for a large proportion of criminals. We should educate and redeem first-time and nonhabitual offenders through society and their families. Is it not best if we succeed in transforming them?

He continued: We should integrate crackdown with prevention, and should take radical as well as stopgap measures, tackling the problem in a comprehensive way. The law enforcement departments should, with the support of the masses, deal with active crimes harshly and strictly to produce great social effects.

We have achieved great success and outstanding results in cracking down on criminals in the province this year, so we have been able to maintain social stability. Currently, many procuratorial organs lack funds for files. Local governments should help them solve their financial difficulties, but not through unauthorized channels.

For the procuratorial work next year, we must deepen the struggle against corruption and bribery, adhere to the principle of dealing a heavy blow against criminals, and focus on principal culprits. We also must continue to uncover violations of laws and discipline and step up our efforts to build up the contingent of political workers.

Stresses Responsibility System

HK0412024990 Chengdu Sichuan Provincial Service
 in Mandarin 1015 GMT 1 Dec 90

[Excerpts] During his recent inspection of rural areas, Comrade Yang Rudai repeatedly stressed the great significance of further stabilizing and perfecting all existing responsibility systems, especially the household-based responsibility system with remuneration linked to output.

He said: The responsibility system with remuneration linked to output is a component part of the collective economy. We must understand this concept clearly. Strengthening the collective economy does not mean confiscation of private plots and private hills, nor does it mean the gathering of a large number of people to do work in a unified way. Allowing individuals to work in their respective ways also means collective economy. This is because peasants cannot buy or sell their land after they have contracted it; the land is still collectively owned. Although individual peasants can work in their respective ways, they still have to hand in grain, products, and retained profits to the collectives. This fact determines that the responsibility system with remuneration linked to output is still collective economy in essence. [passage omitted]

He said: It is necessary to stabilize and perfect the household-based responsibility system with remuneration linked to output. We should never waver upon this

point. No one is allowed to waver upon this point. The household-based responsibility system with remuneration linked to output is the basis. To perfect this system, we do not mean to change this basis. By building enterprises, orchards, and agriculture-oriented service systems, we are perfecting the system. Only by stabilizing and perfecting the household-based responsibility system with remuneration linked to output will it be possible to bring into play the enthusiasm of individuals, perfect unified collective operation, and speed up the development of rural economy.

North Region

Beijing's Li Ximing Joins in Election Propaganda

SK0412064290 Beijing BEIJING RIBAO in Chinese
 22 Oct 90 p 1

[By Ding Yatao (0002 0068 7290) and Zou Fengxue (6760 7685 1331): "Our Municipality's Propaganda on End-of-term Elections Enters Upsurge"]

[Excerpts] Propaganda activities that have been carried out in suburban areas of our municipality for the past week for the end-of-term elections for the people's congresses of districts and counties, towns and townships, entered an upsurge on 21 October with the participation of municipal, district, and county leaders, as well as several hundred thousand people. Urban and rural areas of the municipality were permeated with a warm atmosphere of "displaying the spirit of the Asian Games, and making the end-of-term elections successful." [passage omitted]

At 0920 that day, Li Ximing, secretary of the municipal party committee, arrived at the propaganda station in front of the Wangfujing Department Store to participate in the propaganda activities. He talked with a responsible person of the Donghuamen election branch association on the elections, and watched the performance of the soldiers of the armed police force. He then entered the department store to extend his regards to the sales clerks who had made contributions to the Asian Games, and held discussions with them on the significance of the elections. [passage omitted]

Addresses Beijing CYL Plenum

SK0412101290 Beijing BEIJING RIBAO in Chinese
 26 Oct 90 p 1

[By Reporter Cao Jianguo (2580 1696 0948): "Li Ximing Stresses at Enlarged Session of the Municipal Communist Youth League Committee: Develop the Patriotic Spirit and Intensify Patriotic Education"]

[Text] At the 25 October 14th enlarged plenary session of the eighth municipal committee of the Communist Youth League [CYL], Li Ximing, secretary of the municipal party committee, pointed out: Following the success of the Asian Games, youths should develop the patriotic

spirit, actively participate in social practice, and train themselves as successors to the socialist cause.

Li Ximing affirmed the positive contributions made by most of the capital's youths to the Asian Games and extended his greetings and gratitude to them. Li Ximing said: The Asian Games have greatly inspired the patriotic enthusiasm of the people throughout the country. The core of the Asian Games spirit is doing credit to the motherland and the Chinese nation. In their service to the Asian Games, CYL members and other youths throughout the municipality embodied such patriotic spirit and enthusiasm through their specific deeds. Following the success of the Asian Games, CYL organizations at various levels should further intensify education on patriotic ideas among youths.

Li Ximing said: In the past few years, due to the rampant spread of the ideas of bourgeois liberalization, of worshipping foreign things and fawning on foreign powers, as well as national nihilism, which had a great impact on some people, especially youths, a sense of national inferiority has been created. The patriotic spirit and enthusiasm displayed at the Asian Games has greatly eliminated this sense of national inferiority. It has enhanced the people's sense of national pride, national confidence, and national improvement. The Asian Games fully proved that as long as conscientious efforts are made, our Chinese nation and our vast number of youths can achieve success in whatever they do.

Li Ximing said: The intensified patriotic education among youths should be closely combined with education on love for the party and socialism. The Asian Games have fully manifested the superiority of the socialist system and the tremendous organizational ability and appeal of the Communist Party. Loving the country is consistent with loving the party and socialism, and it is very correct for China to choose the socialist road. Li Ximing called for efforts to summarize the fresh, vivid, and lively experiences in patriotic education among youths so that this education can create positive results.

Li Ximing said: At present, we should encourage youths to enhance their sense of participation, which means to participate or play a role in actuality. In the process of serving socialist construction, they should have a strong sense of political responsibility, enhance their spirit of doing everything to make progress, intensify their efforts to pursue knowledge, increase their work ability through practice, and enhance their understanding of the society, including themselves.

Li Ximing stressed: The basic task of the CYL is to train successors in the socialist cause. Successors are people who cherish ardent love for the motherland, the people, and the collective; who have a strong sense of responsibility; and who have real ability and education. CYL committees should earnestly pay attention to the training of successors. They should carry out various vivid and lively activities. They also should perform

their work in a down-to-earth manner. Our cause is a cause for the centuries. The healthy growth of youths from generation to generation is a guarantee for the development of our cause. CYL committees should shoulder this historical task.

At the 25 October session, the municipal CYL committee endorsed a "resolution on greatly developing Beijing's Asian Games spirit, and giving further play to the role of the CYL in various activities of social practice." The "resolution" urged CYL committees at various levels to maintain and develop the good social conduct established during the Asian Games. It urged them to lead CYL members and other youths to embody the patriotic enthusiasm and indomitable spirit displayed during the Asian Games in their own work. The resolution called on the CYL members throughout the municipality to follow the success in the Asian Games with contributions to the capital's modernization drive.

Heibei Teleconference on Enforcing Cotton Policies

SK0412043490 Shijiazhuang HEBEI RIBAO
in Chinese 20 Oct 90 p 1

[Report by trainee Ning Jianbing (1337 0494 0393) and reporter Gao Xiaoxia (7559 2556 7209): "Strictly Enforce Policies and Consolidate the Cotton Purchasing Order"]

[Text] This afternoon, the provincial government held its second telephone conference on cotton purchases to make arrangements for cotton purchasing work. Vice Provincial Governor Guo Hongqi presided over and addressed the conference.

The conference pointed out: This year our province's situation in cotton purchasing is fairly good in general, but the existing problems have remained serious and the situation has remained very severe. At present, there are three prominent problems: First, the cotton resources are few; second, the process of purchasing is slow; and third, the order of purchasing is chaotic. So we must adopt resolute measures to thoroughly consolidate order in cotton purchasing, manage the cotton market well, and resolutely prevent the outflow of cotton from the province.

Regarding the management of the cotton market, the conference formulated eight measures:

1. Peasants who fail to fulfill the contracted cotton purchasing task because of the shortage of cotton farming areas must hand in five kilograms of corn, according to the contract purchase prices, for every one kg shortage of ginned cotton; peasants who have cotton, but fail to fulfill the contracted purchasing tasks must hand in five to eight kg of wheat or eight to 10 kg of corn, according to the contract purchase prices, for every one kg shortage of ginned cotton.

2. Cotton purchasing stations in prefectures (cities) and counties in the province that purchase cotton outside the framework of their jurisdiction by resorting to such

improper means as forcing up the cotton grade must return it in full to the cotton purchasing stations where the cotton growers should hand in their cotton, and must be punished by having imposed on them a fine amounting to 10 percent of the original price of the total amount of cotton they have rushed to buy. Strict punishment should be given to those that have purchased a large amount and the cases of which are serious.

3. The cotton textile plants at all levels and of all departments are not permitted to buy cotton from the cotton producing areas on their own. Cotton that has been purchased, but has not yet been delivered must be detained by the provincial, prefectural, city, and county industrial and commercial bureaus and be forcibly purchased by the local cotton and flax companies, and a fine of up to 10 percent of the total purchase must be imposed on the cotton textile plants. As for cotton that has been delivered already, all the price differential sums that are above the state purchase prices must be confiscated, and a fine of up to 10 percent of the total illegal purchase must be imposed on these cotton textile plants. In addition, those cotton textile plants that purchase cotton from the cotton producing areas without authorization must be punished by cutting their cotton allocation quotas.

4. No unit or individual is permitted to purchase cotton for other units or individuals on a commission basis by any means. All illegal gains earned by those who illegally purchase cotton must be confiscated and a fine totalling 100 percent of the illegal gains must be imposed on them.

5. None of the cotton that has been purchased and processed by the cotton purchasing stations and the township- and town-run embroidery plants may be sold to other localities without authorization. All illegal sums from such cotton that has been sold already must be confiscated, and a fine of 15 to 20 percent of the total sales must be imposed on the purchasers.

6. Resolute efforts must be made to ban black market cotton dealings. The industrial and commercial administrative departments should resolutely investigate and detain the cotton sold on the black market, and the local cotton and flax companies should forcibly purchase it according to the posted state prices. A fine totalling 100 percent of the illegal gains should be imposed on those who have engaged in black market dealings. Those who have purchased a large amount of cotton and those whose cases are serious must be sent to the judicial departments for trial.

7. With the approval of the provincial Agricultural Department and the provincial Supply and Marketing Cooperative, the fine-strain cotton plants are allowed to purchase cotton from the fine strain cotton producing areas with their seed certificates. All the processed, ginned cotton should be stored in a unified manner by the county (city) cotton and flax companies. Those who sell cotton without authorization should be punished for

speculation and profiteering. All of their illegal gains should be confiscated and a fine of 15 to 20 percent of the total sales should be imposed on them.

8. All units that undertake the business of delivering cotton to localities outside the province must have the original copies of the transport permits verified and issued by the provincial cotton and flax company. Those that undertake cotton delivery business without such permits should be punished having all their illegal gains confiscated and by having a fine totalling 100 percent of their illegal gains imposed on them.

Tan Shaowen Meets Inner Mongolia Group

SK0312032190 Tianjin City Service in Mandarin
2300 GMT 30 Nov 90

[Text] Bu He, chairman of the Inner Mongolia Autonomous Regional Government; Zhang Dinghua, deputy secretary of the regional party committee; Liu Zuohui, vice chairman of the regional government; and others arrived in our municipality on 29 November for an observation tour. After the guests from the Inner Mongolia Autonomous Region arrived, municipal leading comrades Tan Shaowen, Nie Bichu, Liu Jinfeng and Wu Zhen cordially met with all the members of the observation group. During the meeting, on behalf of the municipal party committee and government, Tan Shaowen and Nie Bichu extended a warm welcome to the observation group for its visit, urged the group to offer valuable opinions and criticism on Tianjin's work, and expressed their hope to further strengthen the ties and cooperation between Tianjin and the Inner Mongolia Autonomous Region in various fields. The major purpose for the Inner Mongolia observation group's visit is to understand our municipality's efforts to deepen enterprise reform, develop urban administration, strengthen party building, and carry out practical work for the masses. On 30 November, responsible comrades of the pertinent departments of the municipal party committee and government gave introductions on their respective work to the Inner Mongolia guests.

Other municipal leading comrades present at the meeting were Li Huifen, Hu Xiaohuai, Li Jianguo, and Fang Fengyou. On 1 and 2 December, the Inner Mongolia observation group will visit the Tianjin Xingang Port, the economic and technological development zone, the (Daqiu) Village of Jinghai County, the food street, and the garment street.

Speaks at TV Drama Ceremony

SK0312032690 Tianjin City Service in Mandarin
2300 GMT 30 Nov 90

[Summary from poor reception] A ceremony to mark the beginning of the broadcast of the new television dramas produced by the Tianjin Television Station was held on 30 November. The 40 new television dramas will be presented to the audience one after another.

Municipal leading comrades—including Tan Shaowen, Wu Zhen, Zhang Zaiwang, Li Yuan, Shi Jian, Mao Changwu, Xiao Yuan and He Guomo—attended the ceremony. (Zhang Tianmin), director of the China Television Drama Production Center, made a special trip from Beijing to extend his congratulations. Tan Shaowen, secretary of the municipal party committee, spoke at the ceremony. He fully affirmed the fruitful achievements scored by the Tianjin Television Station in the production of television dramas in the past year, and urged the vast number of television drama workers to make unremitting efforts to create and produce more and better television dramas, and to contribute to making the people's cultural life flourish and to building the spiritual civilization.

Tianjin Major Economic Figures Reported

SK0412055390 *Tianjin City Service in Mandarin*
2300 GMT 3 Dec 90

[Text] In 1990, the municipality's gross national product is estimated at 30.8 billion yuan, registering an annual average increase of 4.3 percent during the past five years when calculated according to equivalent prices. Meanwhile, the national income is estimated at 26 billion yuan, showing an average increase of 4.2 percent, and the total industrial and agricultural output value, at 52.24 billion yuan, shows an annual average increase of 9.9 percent, exceeding the quota of registering a six percent annual rate of increase, as demanded by the Seventh Five-Year Plan. Comparing the Seventh Five-Year Plan period with that of the Sixth Five-Year Plan, foreign exchange revenues from exports went up by 15.8 percent, and fixed assets investment increased by 83 percent. At the same time, investment in state-owned machinery and technological transformation projects also increased by a large margin, thus giving rise to a number of machinery and technological transformation projects, and making some key products increased [words indistinct].

Over the past five years, some improvement has been made in the economic structure of the municipality. Calculated according to equivalent prices, the proportions of the primary and the tertiary industries in the gross national product went up steadily. Some changes took place in the investment structure. Investment in productive projects rose from 65.8 percent in 1985 to 76 percent in 1989, and the investment in non-productive projects dropped from 32.2 percent to 14 percent. In the investment in state-owned capital construction, the proportion of the investment in transport, and postal and telecommunications facilities rose from 8.2 percent in the Sixth Five-Year Plan period to 15.9 percent in the Seventh Five-Year Plan period, and the proportion of [words indistinct] undertakings rose from 9.1 to 9.4 percent. Through readjustment, the national economy gradually has embarked on the path of coordinated development.

Northeast Region

Heilongjiang's Sun Views Material Supply Situation

SK0412055190 *Harbin HEILONGJIANG RIBAO*
in Chinese 26 Oct 90 p 1

[By Wang Hongbin (3769 3163 2430): "Sun Weiben Points Out During Investigations at Material Supply Departments That Small and Medium-Sized Enterprises Should Not Be Neglected While Ensuring Key Enterprises"]

[Text] "We should stress the policy favoring large and medium-sized enterprises and ensure the 136 key enterprises, but small and medium-sized enterprises also can achieve economic benefits, and we should not neglect them. Only in this way can the province's situation be good." This was the remark by Sun Weiben, secretary of the provincial party committee, after hearing a work report at the provincial material supply department on 16 October.

What should material supply departments do in the face of the current economic downturn? Sun Weiben offered four suggestions: First, we should judge the current economic situation from the political perspective. The current economic situation is the result of many factors that, if neglected and not changed quickly, will lead to political problems. Material supply departments also should judge the economic situation in this way. Their economic benefits were fairly good in the past few years. Although their sales volume was not high compared with other provinces, their taxes and profits were among the best. However, they have experienced deficits since the beginning of this year, which is unprecedented. We must pay attention to this problem, and approach it from the political perspective. Second, we should take economic work as the focus, and pool our efforts. At present, the most important task is to pay attention to the implementation of the several policy measures (50 policies) for facilitating the pickup of industrial production and improving its economic benefits issued by the provincial government. Among the issues raised at the sixth plenary session of the sixth provincial party committee, the most important one is to implement the 50 policies to the letter. We should, first of all, specify the policies, especially those concerning our own departments. Then we should organize their implementation. After the policies are specified, a great amount of organizational and ideological work is needed in order to put them into effect. Otherwise, it is possible that these policies may not be implemented. We should supervise and examine the policies, organize their implementation, and continue to improve and revise them. Third, we must proceed from reality, and adhere to the correct ideological line. We should avoid seeking an undeserved reputation and high growth rates. We must persist in the growth rates that create better economic benefits. These principles are also applicable to the work of material supply departments. Material supply departments should not engage in moving materials from department

to department, as they will not increase their output value by doing so. They should pursue high growth rates on the basis of improved economic benefits in order to solve their problems. Fourth, we should change our work styles, change the functions of leading organs, do a good job in the service activities to "make the grass roots satisfied," and carry out the activities of "professional responsibility, ethics, skills and discipline, and good service, environment and achievements." At present, when difficulties are rather numerous, we must adhere all the more to the mass line, make everyone satisfied, boost everyone's enthusiasm, and exert concerted efforts to perform our work successfully.

On the next step of the in-depth reform of material supply departments, Sun Weiben said: At present, many people, including some economists, hold that the market is an unpredictable monster. Since we have carried out reform, opening up, and the commodity economy for only a short period of time, we have little knowledge of the market. Some enterprise leading comrades have put forward the call for "looking for the market instead of the mayor." Involving a fairly wide economic field, material supply departments are the general logistics departments of economic construction. In a certain sense, looking for the market means looking for material supply departments. Material supply departments should become the raw materials warehouses for production enterprises so as to ensure steady supplies of raw materials for economic construction. Meanwhile, information should be provided to enterprises on a regular basis. The enterprises' current stockpiles and weak sales on the market have created many problems for material supply enterprises. If the management of the material supply departments fails to catch up, still greater losses will be incurred. We should regard these issues as the content of the reform, and think them over deeply.

Heilongjiang Agrotechniques Promote Grain Output

SK0412013790 Harbin Heilongjiang Provincial in Mandarin 1000 GMT 3 Dec 90

[Excerpts] Our province has comprehensively popularized and applied general techniques to increase agricultural production in the course of carrying out the bumper-harvest plan, and also had some collectives of science professionals and technicians manage a part of cropland covered in the bumper-harvest plan on a contracted basis. Some 96.3 million mu of planned cropland were planted, and grain output increased by 3.65 billion kg over the past three years. Last year, the per mu yield of the planned cropland was 14 percent more than that of the ordinary cropland. The grain output of the planned cropland, occupying one-third of the province's total cropland, accounted for about 50 percent of the province's total grain output. [passage omitted]

To carry out the bumper-harvest plan, the province and various prefectures and cities respectively have carried out the method of having collectives of science professionals and technicians manage 38 counties' cropland

covered in the bumper-harvest plan. More than 20 million mu of cropland were managed by the collectives according to contracts, accounting for two-thirds of the total planned cropland. More than 1,800 people at the provincial, prefectural, county, and township levels joined the collectives of scientific professionals and technicians, and managed the cropland on a contracted basis. They provided the peasant households engaged in the planting of the planned cropland with a series of services, such as agricultural production techniques, funds for agricultural use, and means of agricultural production. Thus, the output of grain and soybeans increased by 275 million kg and the output value increased by 480 million yuan.

Heihe Practices Transfer of Land Use Rights

SK0412022790 Harbin HEILONGJIANG RIBAO in Chinese 20 Oct 90 p 1

[By reporter Wang Zengxiang (3769 1073 4382): "Heihe Practices Paid Transfer, Leasing, and Mortgage of the Right To Use State Land"]

[Text] Heihe City recently took the lead in our province in selling, transferring, leasing, and mortgaging land use rights.

Last year the city conducted a survey of, and made reports and registrations on state land in its three towns and six independent mining areas. It also conducted appraisals of different categories of land and developed methods for its sale and transfer.

The city recently announced that the industrial development zone—the area outside the railway station, the residential housing renovation area in the old city, and the Daheihedao area, totaling 1.5 million square meters—may be used by industrial, goods storage, commercial, service, tourist, recreational, housing, and foreign trade departments for development and construction.

Payment for the transfer of the right to the use the land first designated by the city to be sold or transferred is less than 50 percent of the national average. The units and individuals who come to the city to carry out development and construction will be given the preferential policies of a five- to 50-percent reduction in the payment for land use rights, or an exemption of payment for land use rights for one to five years. The transfer of the land use right will be made through discussion, bidding, and auctions.

Heilongjiang Mineral Resources Verified

SK0412014390 Harbin HEILONGJIANG RIBAO in Chinese 19 Oct 90 p 1

[Report by Zheng Beiying (6774 0554 7751): "Our Province Again Verifies Four Mineral Resources"]

[Text] Geological and mineral resources departments of our province again recently verified four mineral resources, the reserves of which are the most abundant in the country. They are sillimanite, volcanic ash, basalt for use in asbestos, and marble for use in cement. The reserves of petroleum, crystalline graphite, basalt for use in cast stone, and yellow clay verified in our province in the past also rank first in the country.

Sillimanite is a raw material indispensable to the production of large iron and steel enterprises. At present, imports of it in large amounts remain necessary. The crystalline graphite and yellow clay previously verified not only can meet domestic demand, but be exported in large amounts. The crystalline graphite our country has exported accounts for 60 percent of supplies to the world market. The reserves of the four mineral resources exceed quotas by 154 to 298 percent.

Liaoning Antipornography Work Conference Ends

SK0312030090 *Shenyang Liaoning Provincial Service in Mandarin 2300 GMT 1 Dec 90*

[Text] The provincial press and publication work conference against pornography ended in Shenyang on 1 December.

At the conference, the provincial press and publication bureau commended a group of collectives and individuals with outstanding contributions to the press and publication work.

Provincial leaders Wang Chonglu, Zhang Zhiyuan, Lin Sheng, Wang Wenyuan, and Cui Yukun issued certificates of award and honor to the collectives and individuals that were commended.

Wang Chonglu, member of the Standing Committee of the provincial party committee and director of the propaganda department of the provincial party committee, made a summation speech at the conference.

He said: Party committees and governments at various levels should conscientiously relay and implement the guidelines of the central authorities' instructions and the guidelines of this work conference, cosponsored by the provincial party committee and the provincial government, and should extensively and deeply mobilize the people to implement these guidelines. We should approach the importance of antipornography work from the high plane of persisting in the socialist orientation; building a high degree of socialist spiritual civilization; cultivating people of a new type with lofty ideals, education, moral integrity, and a sense of discipline; and opposing infiltration, subversion, and peaceful evolution. We should regard the struggle against pornography as a content of opposing bourgeois liberalization, put it on the agenda of party committees, and firmly attend to it. Party committees and governments at various levels should fully understand the long-term, complicated, and arduous nature of the struggle; foster the mentality of unswervingly and perseverely attending to it; extensively

mobilize and carefully organize the people to cooperatively engage themselves in the struggle; combine the work of concentrating efforts on waging the struggle with day-to-day management work; pay attention to studying the special characteristics of antipornography work; continuously sum up experiences; and win a victory in the people's war to eliminate pornography. We should persist in the principle of grasping antipornography work, on the one hand, and making Liaoning prosperous, on the other. We should create increasingly more literary and artistic works loved by the people, and enrich the people's cultural life.

Wang Chonglu said: Party committees and governments at various levels should strengthen the organization and leadership of antipornography work, perfect the organs in charge of the work, make efforts to take the overall situation into account, and organize the people to engage themselves in the work in a coordinated manner. The principal responsible persons of party committees at various levels should assume personal leadership over the work; grasp typical cases and experiences; specifically study rules, policies, and effective methods; and work out plans for organized and coordinated supervision and examination.

Northwest Region

Gu Jinchí Attends Gansu CPPCC Committee Meeting

HK0412102590 *Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 1 Dec 90*

[Text] The 12th Standing Committee Meeting of the Sixth Gansu Provincial CPPCC Committee concluded in Lanzhou yesterday.

The participants at the meeting listened to, consulted on, and discussed three reports made respectively by the provincial planning, agriculture, and nationalities affairs commissions and also forwarded many constructive views and proposals [words indistinct].

The Gansu CPPCC Committee Vice Chairman [words indistinct] presided over yesterday's meeting.

Yesterday morning, Gansu Secretary Gu Jinchí went to see the members attending the 12th Standing Committee Meeting of the Sixth Gansu Provincial CPPCC Committee. He expressed the hope that all the comrades concerned will implement the CPC-led multiparty cooperation and political consultation system and make greater contributions to consolidating and developing the patriotic united front and improving Gansu's work.

At 0900 yesterday morning, accompanied by Gansu Deputy Secretary Lu Kejian, Gu Jinchí arrived at Lanzhou Hotel [words indistinct]. Gansu CPPCC Committee Chairman Ge Shiyang introduced to Comrade Gu Jinchí the provincial CPPCC committee Standing Committee members, as well as the responsible persons of various democratic parties and the provincial federation of industry and commerce.

Gu Jinchi made a speech in which he said: Comrades, I have taken this opportunity, the convening of the Gansu CPPCC Committee's Standing Committee meeting, to see you. This morning, I heard on the radio the consultations and discussions held on the three reports made respectively by the provincial planning, agriculture, and nationalities affairs commissions on the Eighth Five-Year Plan and the 10-year plan. You have forwarded numerous constructive views and proposals. [words indistinct] In the decade-long reform, the Gansu CPPCC Committee has scored great achievements and laid good work foundation. We should consolidate and develop the existing achievements in a down-to-earth manner. In the future, we will certainly listen to and solicit your views on all important issues concerning our province, give full play to the role of various democratic parties, adhere to the CPC-led multiparty cooperation and political consultation system, do all types of work well in the next five years, especially in the next two years [words indistinct].

Gansu's Production Fulfills Five-year Plan

*HK0112035090 Lanzhou Gansu Provincial Service
in Mandarin 2300 GMT 28 Nov 90*

[Text] During the Seventh Five-Year Plan period, Gansu Province's industrial production has grown continuously and steadily. Most of the economic and technical targets have been attained, suggesting that Gansu has scored great achievements in industrial production.

During the Seventh Five-Year Plan period, while we made great effort to develop electric power and coal industries and initiated our advantages in resources of nonferrous metal, chemical materials, and building materials, we developed the food and durable goods industries largely to rationalize the proportion between the heavy and light industry. The heavy industry has developed steadily, while the light industry has expanded more rapidly. In addition, the light industrial product mix has been improved and product designs and varieties have increased markedly. The total amount of energy produced, if converted into standard coal, has increased from 14 million tonnes in 1985 to 17 million tonnes in 1987, alleviating the conflict between demand and supply. Steel has increased from 293,900 tonnes to 640,000 tonnes. Steel products have increased from 160,000 tonnes to 250,000 tonnes. Caustic soda has increased from 18,000 tonnes to 30,000 tonnes. Cement, washing machines, and other new products have also considerably increased.

The Seventh Five-Year Plan demands that Gansu's gross industrial output value reach 18 billion yuan. But we will have created 18.6 billion yuan by the end of the year, with the annual average increase rate amounting to 9.45 percent, of which the light industry has increased by 11.05 percent a year and the heavy industry by 7.08 percent. Collective-owned industry has expanded more rapidly than state-owned industry. The quotas for most

major industrial products provided for in the Seventh Five-Year Plan have been overfulfilled.

Gansu Strengthens Antipornography Campaign

*HK0312065990 Lanzhou Gansu Provincial Service
in Mandarin 2300 GMT 29 Nov 90*

[Excerpts] The provincial radio and television broadcasting mobilization meeting on combating pornography was held in [word indistinct] auditorium yesterday afternoon.

The meeting was chaired by Lu Kejian, deputy secretary of the provincial party committee. [passage omitted]

Following is the speech made by Zhang Xuezhong, [words indistinct].

Comrades, in accordance with the directive by the CPC Central Committee Political Bureau Standing Committee, the party Central Committee Propaganda and Ideological Work Leading Group called a national antipornography meeting. At this meeting, Comrade Li Ruihuan gave an important speech. Comrades Li Tieying and Ding Guangen also spoke. [words indistinct]

Zhang Xuezhong summarized the achievements made in the antipornography movement over the last few years. He said: Under the guidance of the provincial party committee and government, and with the active participation of the broad masses of the people and close cooperation and concerted efforts on the part of various localities and departments, we have made marked achievements in antipornography work during the past year or more. The antipornography campaign found expression: The party organizations, Communist Youth Leagues, and the masses showed great enthusiasm; the whole society was roused into action on such a wide scale as to produce great repercussions; and in that the antipornography campaign covered a large area [words indistinct] The related market control work has initially become institutionalized; the campaign has become a socialized action; and the cultural market has been basically purified. A large number of obscene books, periodicals, and audio and video tapes have been confiscated and destroyed. Shops and criminals found guilty have been closed down and penalized and serious offenders have been punished according to the law. By last October, 40,000 persons had investigated 8,857 outlets trafficking in pornographic publications and confiscated 320,000 copies of illegal books and magazines and 14,990 obscene audio and video cassettes. [words indistinct] A total of 6,000 relevant cases and 20,000 persons involved have been dealt with.

The antipornography campaign enjoyed support from all sectors of society, who all said that the party and government had done a really good thing for the people. [passage omitted]

Gu Jinchi, secretary of the provincial party committee, stressed at the meeting: During the antipornography

campaign this winter and next spring we must focus on spots as yet untouched by the previous campaign and crack down on those criminals who continue to traffic in pornographic publications. We must deal with them harshly and rapidly and comprehensively straighten out the publication market, including audio and video tapes.

1. Party committees at all levels should leave the relevant work in the care of competent cadres. Principal leaders of party committees and governments must work in the forefront of the antipornography campaign, personally take care of all aspects of the campaign, and keep tabs on implementation of the party's policies.

2. To carry on the struggle against pornography, we must integrate radical measures and stopgap measures, trying to get at the root of the problem.

3. All sectors should make concerted efforts to deal with the problems in a comprehensive way. As antipornography work is arduous, all sectors and departments should, under the unified leadership of the party committee and government, work with a full sense of responsibility and closely coordinate with each other to galvanize the whole society in a bid to tackle the problem in a comprehensive way.

4. All grass-roots units in cities and townships should bring their political advantages into play during the campaign against pornography and exercise their functions. We must assign the task of carrying out ideological education, maintaining public security, and cracking down on pornographic activities to every neighborhood committee, factory, school, and so on.

We can only make a success, rather than a mess, of the antipornography campaign. We can only carry the campaign through to the end, rather than leaving it undone. So long as we resolutely implement the directives of the party central committee and State Council, rely upon the people of all nationalities across the province, and do our work in a down-to-earth manner, we are sure to win a new victory in our struggle against pornography.

Also present at the meeting were: Li Ziqi, chairman of the provincial Advisory Committee; Fu Quanyou, commander of the Lanzhou Military Area; Political Commissar Cao Pengsheng; and Wang Jintang, member of the provincial party committee Standing Committee.

Song Hanliang Addresses Xinjiang Military Meeting
*OW0312044390 Urumqi Xinjiang Television Network
in Mandarin 1400 GMT 29 Nov 90*

[From the "Xinjiang News" program]

[Text] On the afternoon of 28 November, the Xinjiang Military District held a telephone conference on commending advanced collectives and individuals for their contribution to unity and progress among various nationalities. The conference commended 49 advanced collectives and 61 advanced individuals of the military

district for their contributions to unity and progress among nationalities in recent years. [video opens with long shot of packed auditorium, followed by medium shots of regional military leaders presenting banners and prizes to award winners, close-ups of Song Hanliang, Gao Huanchang, Tang Guangcai and Ulatayov speaking, and medium shot of audience]

Attending the meeting were Song Hanliang, secretary of the autonomous regional party committee and first secretary of the Xinjiang Military District Party Committee; Gao Huanchang, commander of the military district; Tang Guangcai, political commissar of the military district; Ulatayov, deputy political commissar of the military district; and others.

While defending the nation's borders, the commended advanced collectives and individuals have seriously studied Marxist theories on nationalities and the party's policies on nationalities. They have conscientiously implemented the party's policies on nationalities and abided by discipline. Opposing national splittism in a clear-cut way, they have made outstanding contributions to the defense of the motherland's unification and unity among various nationalities. In the meantime, they also firmly remember our Army's purpose of wholeheartedly serving people of all nationalities in Xinjiang and helping the masses of various nationalities in agricultural and pastoral areas shake off poverty and become prosperous. They have assisted in constructing major projects, contributed to public welfare, and participated in rescue work during emergencies and calamities in minority nationality areas. Through these actions, they have further promoted unity between the Army and the government, the Army and the people, and among various nationalities.

Comrade Song Hanliang spoke at the meeting. On behalf of the autonomous regional party committee and people's government, he extended his congratulations and respects to the commended advanced collectives and individuals.

He said: The Chinese People's Liberation Army [PLA] is a great wall of steel and iron for safeguarding the motherland's unity and defending its borders. In the struggle to build and defend Xinjiang, the Xinjiang Military District has made outstanding contributions to the stability and development of Xinjiang. Facts fully show that the PLA is a firm pillar of the people's democratic dictatorship and a powerful defender of the four modernizations. In the struggle of safeguarding unity among the nationalities, opposing national splittism, and defending the motherland's unity, the Army stationed in Xinjiang has been loyal to the party and the people. We must continue to implement the policy of stability overriding everything else and do an even better job in strengthening border defense and stabilizing society. The party, government, Army, and armed police organizations and the Xinjiang Production and Construction Corps must be united as one and cooperate closely to make new contributions to stability in Xinjiang.

In his speech, Gao Huanchang urged all officers and men to fully understand the utmost importance of strengthening unity between the Army and the government, between the Army and the people, and among the nationalities in light of safeguarding the unification of the motherland and stability in the frontier region, to resolutely struggle against all words and deeds of national splittists, and to guarantee stability in society and along the borders. He also urged units under the military district to further maintain and carry forward its glorious tradition, and make greater achievements in strengthening unity between the Army and the people, and among the nationalities next year.

In their speeches, Tang Guangcai and Ulatayov further stressed: It is necessary to clearly know the situation, seriously regard the task of strengthening the unity between the Army and the government, between the Army and the people, and among the nationalities as important work, and do it well. It is necessary to extensively and thoroughly launch such activities as "double support," "joint Army-people campaign to build spiritual civilization," and "double-model creation," and continue to perform good deeds for the people of various nationalities in Xinjiang.

Xinjiang Implements Party's Intellectuals Policy

OW0412043290 Urumqi XINJIANG RIBAO in Chinese
20 Nov 90 p 1

[By XINJIANG RIBAO reporter He Ruilan (0149 3843 5695)]

[Text] Party committees and governments at all levels in our region took a series of measures to implement the party's policy toward intellectuals and made great efforts to promote a good prevailing custom of "showing respect for knowledge and people of talent" in society. Their measures and efforts produced successful results.

They set to rights things which had been thrown into disorder by conducting ideological work among the masses and providing guidance for their thinking. Widespread propaganda of the party's policy toward intellectuals was launched in all areas of our region to establish the guiding ideology that intellectuals are a part of the working class and that "knowledge and people of talent ought to be respected." As a result, the vast numbers of cadres and the masses began to have a better understanding of the role and position of intellectuals, and work on intellectuals got onto a normal track.

They expended great efforts to see to the implementation of the policy toward intellectuals. A total of over 20,000 cases involving problems left by history to intellectuals were solved in all areas. The figure accounted for 99.98 percent of the total cases that had been filed for investigation and handling. As a result, the relationship between the party and intellectuals was fundamentally improved.

They screened, selected, and appointed a total of nearly 40,000 intellectuals with both ability and political integrity to leading posts at all levels and recruited over 55,000 excellent intellectuals to join the party throughout the region. A total area of nearly 500,000 sq m of buildings for scientific experiments were newly erected; nearly 400 million yuan worth of funds were appropriated as various pay increases for intellectuals to help improve their living standards; job opportunities were provided to nearly 20,000 spouses and children of intellectuals; and the column of occupation on the domicile registration card of more than 140,000 dependents and children of intellectuals was changed from agriculture to nonagriculture. Meanwhile, housing, medical care, and study conditions were also markedly improved for intellectuals.

They carried out the decisions of the central government in earnest to reform the scientific and technological system step by step by addressing problems in the areas of operational mechanism, organizational structure, personnel system, and so forth. In recent years, over 20,000 scientific and technological personnel were assigned to work in the factories (farms) in rural areas every year, providing various technical services and having groups of experts and enterprises undertake various contracts. According to incomplete statistics, over 17 mu area of farmland for growing various crops, over 2,400 technological projects of animal husbandry, and over 890 various enterprises have been contracted for operations so far. Meanwhile, they have appointed 56 scientific and technological personnel as deputy county magistrates (city mayors) and 768 other scientific and technological personnel as advisers and deputies to chiefs of some departments.

They built a total of 134,000 sq m of housing units for teachers in colleges, universities, middle schools, and primary schools in past five years. An additional 370,000 sq m of school buildings were built for regular colleges and universities, while the middle and primary schools got an addition of 1.9 million sq m of school buildings. An accumulated total funds of 86.93 million yuan were spent on purchasing education instruments for colleges, universities, and middle and primary schools. Meanwhile, there was a comparatively big increase in wages for teachers.

They employed 3,800 technicians specializing in various professions to work in Xinjiang from other parts of China in the past five years. Meanwhile, they recruited, employed, and exchanged over 2,500 various professional technicians and organized over 1,100 personnel to provide technical and intellectual services. They trained over 45,000 professional technicians who would leave their jobs temporarily for other assignments and employed over 300,000 personnel as professional technicians after having appraised their performance and accomplishments. Meanwhile, they commended more than 4,400 excellent professional technicians who have scored outstanding achievements in various undertakings for the development of Xinjiang. As a result, they

improved the work of exploiting qualified personnel resources, exchanging and having them rotate in Xinjiang, employing qualified personnel to work in Xinjiang from other regions, and training and commending qualified personnel.

While endeavoring to successfully carry out their work on intellectuals, they selected a group of excellent

experts, scholars, and celebrities who had made outstanding contributions from all trades and professions and included them in the list for attention by the party committees at all level in their scope of administration. Meanwhile, they adopted a number of measures to give them special preferential treatment in improving their political treatment, working and living conditions, conditions for study, and medical care.

Increased 'Taiwan Independence' Activities Noted

HK0412100090 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 26 Nov 90 p 5

[Article by Zhang Fengshan (1728 7685 1472): "'Taiwan Independence' Activities Are Running Rampant Again"]

[Text] At the "Second Plenary Session of its Fourth Central Committee" held on 7 October, Taiwan's Democratic Progressive Party [DPP] passed a so-called "de facto Taiwanese sovereignty resolution". Later, it also set up a "committee on the movement for Taiwan's sovereign independence" designed to "implement" the resolution. The move was a turnaround from the "creative ambiguity" that some people within the DPP manifested in their "flexible exercise of the people's right to self-determination". Instead, it highlighted their advocacy of "Taiwan's independence" and allowed these people's "Taiwan independence" activities to enter a more harmful stage.

Based on statements made by some DPP leaders on the resolution and commentaries by Taiwan's news media, the concrete objectives of some DPP people in raising this resolution have some similarities as well as differences. They may be summed up primarily as follows:

1. As a countermeasure to Taiwan's "constitutional and political reform". Since the beginning of this year, "reform of the constitutional and political structures" has become the central topic of Taiwan's political situation. While the Kuomintang [KMT] and the DPP both agreed on the need for "constitutional and political reforms", they still have serious differences on the premises under which reforms are to be undertaken. The KMT insisted on the "Republic of China framework" with sovereign claims over the mainland; this was diagonally opposed to the DPP's "two countries, two governments" framework. The passage of this resolution by the DPP was thus intended to make the "constitutional and political reforms" swing to the DPP's favor.

2. To seize the initiative over "Taiwan's future". In recent years, relations across the straits have developed satisfactorily, much to the dismay of some people in the DPP. One of its principal leaders claimed that there existed an "unprecedented danger" of Taiwan being "annexed by the mainland" or being "betrayed to the mainland," and that "it was necessary to come up with a solution to deal with the problem". The "de facto sovereign resolution" was the "marvelous plan" thought up by these people.

3. To boost morale and overcome difficulties. Since its development, the DPP has encountered numerous problems, revealed many contradictions, and readjusted its policies and principles because of the influences of both objective and subjective conditions. It thus came up with this resolution and hoped to use it "to boost its morale and revitalize itself".

4. To set new "goals of struggle" and search for a new "political status" for the DPP. Early this year, an overseas "political theorist" offered some advice to the DPP: "On many administrative matters, the KMT has taken the initiative to challenge the DPP. Issues which used to be the private reserve of the DPP have now been taken over by the KMT. It can be foreseen that unless the DPP, which used to enjoy an advantage on the question of Taiwan sovereignty, comes up with concrete and feasible policies on relations with China and on international relations, then the space it enjoys as an opposition movement will gradually diminish." As reported by a newspaper in Taiwan, the purpose of some higher level people in the DPP in raising this resolution given the present situation is "to resurrect its own image and redefine its own position" following the "conference on national affairs".

5. To retaliate against the KMT's "procrastination in carrying out" the conclusions reached at the "conference on national affairs". At the end of June and early July this year, a "conference on national affairs" was held jointly by the DPP and the KMT, each with their own respective objectives, and certain agreements were reached. DPP's leaders hailed the conference, maintaining that it has "resulted" in "a joint guarantee by both the ruling KMT and the DPP to complete major democratic reforms" and that "the DPP was gradually playing a governing role." After the conference, however, the KMT authorities "abandoned the agreements reached at the 'conference on national affairs'" in order to ease internal contradictions. Instead, it set up a "planning group on constitutional and political reforms" within the KMT to carry out the KMT's own intentions. At the same time, it created a "national unification committee" to "affirm its goal of unification". The DPP felt that it "had been had" and so it hurled this resolution as a retaliation to the KMT's act.

What is the "ultimate goal" of the "de facto Taiwanese sovereignty resolution"? Is it the same as proclaimed by some higher level people in the DPP, that "there is no intention to split the country"? Let us look at the facts.

First, let us read the commentaries by some newspapers which normally have more coverage of DPP activities. A morning paper in Taipei held that it "has strong hints in favor of Taiwan independence." A major journal published in Kaohsiung carried a "statement" supporting the resolution; it maintained that the intention behind its proposal by some people in the DPP was "to accord structural recognition to de facto independence." An evening paper in Taipei said that "even though the DPP's charter makes no mention of the words 'Taiwan Independence', the passage of the 'de facto Taiwan sovereignty resolution' may be regarded as the proposal for 'Taiwan Independence' reaching a final stage in the form of a resolution within the party."

Let us now look at the views of some DPP leaders. One leader said: "There is still some distance to go before Taiwan becomes independent and proclaims itself a

republic. We are just advancing step by step." The drafters of the "de facto Taiwan sovereignty resolution" claimed that "only the title of a country separated the resolution from a complete proposal for Taiwan independence."

Next, let us look at the undertakings of the DPP for the implementation of this resolution and their social impact. The DPP's "legislative yuan" party committee proposed before the "legislative yuan" the so-called "resolution for the amendment of China's territory" which would "draw up borders separating Taiwan, China and the People's Republic of Mongolia". It also issued a statement openly supporting the "right to self-determination" of Tibetan separatist elements. Similar activities were also carried out by the DPP's party committee to the "National Assembly". The party's "New Wave faction" issued the "Mainland China relations act" which was "injected with the concept of Taiwan independence" and proposed the "establishment of normal foreign relations with Mainland China" in the future. Meanwhile, according to a report by Taiwan's MINCHUNG JIHPAO, people with "strong inclination toward Taiwan independence" have put up massive amount of slogans in several major cities in Taiwan supporting the "Taiwan independence alliance" "in response to the DPP's de facto sovereignty resolution" and have thus enabled the "banner" of the "Taiwan independence alliance" to appear in Taiwan for the first time.

By looking at the above-mentioned facts, at the concrete objective of this resolution and at its social impact, it can be concluded that the "ultimate objective" of some higher level people in the DPP in throwing out the "de facto Taiwan sovereignty resolution" was precisely to "split the country". In fact, this point was exposed in other important documents of the conference. The conference's "manifest" proclaimed: "Communist China should not resort to any means to prevent our return to the international community as a sovereign state." One of its principal leaders even stated in his report to the conference that the DPP will "push for Taiwan's return to the United Nations." What blatant statements and acts seeking to split the motherland! No wonder Taipei's CHIH LI WANBAO commented that the DPP's "call for Taiwan independence" and its momentum were mounting continuously and comprehensively. In an article published on 15 November, it pointed out: "The formal creation of a 'committee on the movement for Taiwan's sovereign independence' within the DPP to 'implement the de facto Taiwanese sovereignty resolution' has indeed marked a new turning point in the Taiwan independence movement." The TAIWAN SHIHPAO believed that the open appeals for "Taiwan independence" by some higher level people in the DPP "marked the biggest change to the DPP since its formation 4 years ago." Owing to consideration of objective and subjective conditions, they opted, however, for a strategy of "deliberate ambiguity in wording but moving along the most realistic direction."

The higher level people in the DPP will continue to have contradictions and differences among themselves as they carry out the "strategies and measures" in support of the "Taiwan independence" activities in the future. But they will also bring harm to all Chinese people including the Taiwan compatriots. This is extremely unwise. It is hoped that these people will see through the overall situation and not engage in stupidities which are contrary to the people's interests.

More on Movement Escalating

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in Chinese 0819 GMT 2 Dec 90

["Roundup" by XINHUA reporter Fan Liqing (5400 7787 7230): "Guard Against the Gradual Escalation of 'Taiwan Independence' Activities Inside the Democratic Progress Party"—XINHUA headline]

[Text] Beijing, 2 Dec (XINHUA)—In early October, the Second Plenary Session of the Fourth Committee of the Democratic Progress Party [DPP] made a decision asserting: "Our actual state sovereignty does not apply to the Chinese mainland or Outer Mongolia." Subsequent to this, in the absence of most of its Standing Committee members, on 14 November the DPP made another decision on forming a "Taiwan Sovereignty and Independence Movement Committee," thus pushing forward the "Taiwan independence" movement.

These DPP activities have met with widespread criticism in Taiwan society. Intellectuals and the media published speeches and articles criticizing some DPP leaders by pointing out that they had seriously violated popular feelings in escalating "Taiwan independence" activities. Instead of providing favorable factors for Taiwan political democratization, these activities have added to social instability and will damage Taiwan's interests. The Taiwan "Executive Branch" issued a statement on 15 November pointing out that "if the DPP continues to conduct organized, insurgent activities for Taiwan independence, it will be severely dealt with according to the law."

In the face of pressures from the authorities and civilians, some DPP leaders have modified their previous remarks by saying that they "did not propose splitting the country" but only "hoped for the establishment of Taiwan sovereignty." "This is different from making Taiwan independent," they said. Some other DPP leaders are busy "forming contacts" with the Kuomintang to explain that their activities "are only for a better political array." DPP Chairman Huang Hsin-chie said that the decision on forming the "Taiwan Sovereignty and Independence Movement Committee" can remain unimplemented.

However, these explanations cannot cover up some DPP members' "Taiwan independence" activities or their target of "Taiwan independence." According to Taiwan public opinion, "the establishment of the 'Taiwan Sovereignty and Independence Movement Committee' "

within the DPP for implementing the decision on 'Taiwan's actual sovereignty and independence' has provided a departure point for the Taiwan independence movement." "Taiwan independence" elements in the DPP have arrogantly asserted that "if considered from the 'decision on actual sovereignty' and the 'proposal for a direct presidential election, the transformation of the National Assembly, as well as the elections of provincial governor and mayors,' the establishment of this committee is of major significance"; "only a state name is lacking to form a complete proposal for Taiwan independence."

The DPP's recent advocacy of "Taiwan independence" is closely related with some DPP members' efforts to contend with the Kuomintang for political power. Because of this intention, the DPP has, since its founding, always suppressed the reunification proposal and given prominence to the independence proposal, thus allowing "Taiwan independence" elements to change their tricks from time to time. Through "self-determination," the "new state movement," the "formulation of a law on relations with the mainland," and "Taiwan's actual sovereignty and independence" under the beautiful cloak of "fighting for democracy" and "freedom of speech," the DPP has aimed to build a road toward "Taiwan independence." When a number of probes were "tolerated" by the Taiwan authorities, the DPP went further, to decide on the establishment of the "Taiwan Sovereignty and Independence Movement Committee" to enable the "Taiwan independence" movement to proceed in an organized and systematic way on the island.

Although the situation has turned unfavorable to the DPP's "proposal for Taiwan independence," this party's "Taiwan independence" elements are still considering restoring their efforts for the "Taiwan independence" movement and waiting for an opportunity to escalate this movement. All Chinese in the country and overseas, including far-sighted DPP members, should guard against this.

Domestic Challenge to 'Three No's' Policy

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[Article by staff reporter Lian Jintian (6647 6930 3240): "Taiwan's 'Three No's Policy' Unprecedentedly Questioned"]

[Text] Hong Kong, 29 Nov (RENMIN RIBAO OVERSEAS EDITION)—A nongovernmental "Foundation for Exchanges Across the Strait," backed by the government, was established in Taiwan recently. The authorities are to entrust this foundation with handling affairs concerning exchanges between the two shores of the strait. This indicates that contacts between the two shores will be more frequent and will be upgraded to an increasingly

high level. Will the Taiwan authorities be able to maintain their "three no's policy" (no contact, no negotiations, and no compromise)? In the past, this policy has been challenged mostly by people outside the administration, but recently some figures in the Kuomintang [KMT] have realized that continued adherence to this policy is meaningless.

According to a KMT official, the 13th KMT Congress laid down a guideline: At the official level the "three no's policy" will be retained, while at the nongovernment level, restrictions on exchanges gradually will be lifted. Since then, the "three no's policy" has been valid only at the official level; a lot of problems have continued to arise with regard to nongovernmental exchanges, and the government cannot but be involved in the settlement of these problems. Such being the case, a divergence of opinion has arisen within the authorities as to whether the principle of "no contact" at the government level should continue.

Some KMT figures who favor a revision and adjustment of the "three no's policy" point out: A breakthrough actually has been made in the principle of "no contact," and "functional" negotiations have been started between the two shores of the strait. Chang Feng-hsu, chairman of the Taiwan "China Olympic Committee," appeared in Beijing recently; the two shores, each represented by its own Red Cross, successfully held talks in Jinmen on repatriation of personnel this year. All these tasks can never be tackled by nongovernment organizations alone, but require government participation. How can the negotiations succeed if contact is not allowed?

Chen Chang-wen, secretary general of the "Foundation for Exchanges Across the Strait," noted: The interpretation of the "three no's policy" has been changing as time goes by and the circumstances change. He urged the authorities now to replace the "three no's policy" with the principle of "contact, negotiations, and compromise" when purely routine matters are concerned. His view has aroused an echo among some officials in charge of routine operations in Taiwan.

Now that a "Foundation for Exchanges Across the Strait" has been established in Taiwan, there is a great deal of speculation within the island about more flexibility in the "three no's policy."

Analyzing the foundation's organization, financial source, and tasks, the press believes it would be impossible to stick any longer to the principle of no official contact with the mainland. Ma Ying-jeou, vice chairman of the "Mainland Committee of the Executive Yuan," said: "Without the government's authorization, the foundation will not be able to exercise its power." "It is governmental in substance, but seems to be nongovernmental on the face of it." So, in the future, contact and negotiations with the mainland will be inevitable.

In fact, in the wake of expanding and in-depth exchanges between the two shores, the problems will not possibly be

solved without the participation of the Taiwan authorities. However, one still must wait to see whether the Taiwan authorities can keep up with the developing situation and thus upgrade this foundation into a quasi-official or official institution. In any case, one cannot deny that the Taiwan authorities may have been paving the way for their future policy change in establishing this foundation.

A Taiwan official who has a say in the policymaking has expressed his belief that the "three no's policy" will be modified sooner or later. Another official in charge, in light of the current contact between the two shores, has concluded that it is necessary to make an overall revision and modification of the "three no's policy." The increasingly close contact between the two shores of the strait is having an impact on the "three no's policy" and is pushing the Taiwan authorities to respond to the changing situation. On the other hand, the campaign for "Taiwan independence" is running rampant on the island now. Some members of the Democratic Progressive Party, openly flaunting the banner of the "Committee of the Campaign for Taiwan Sovereignty and Independence," are planning to strengthen their links with the forces for Taiwan independence abroad in the hope of escalating their struggle to split the motherland. All these developments have aroused subtle reactions from within the KMT. Some people of Mainland origin, in particular, have strongly condemned the "Committee of the Campaign for Taiwan Sovereignty and Independence" and have criticized the authorities concerned for their tolerance toward "Taiwan independence" activities. The forces for "Taiwan independence," which have not been rooted out, now are openly challenging the principle of reunification of the motherland. It is time for those KMT leaders of insight to see a new way out other than the "three no's policy."

Talk Examines Taiwan's Reunification Stance

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[By (Ling Guang); from the "Rambling Talk on Current Events" program]

[Text] Dear listeners: On 7 October, the Taiwan authorities announced the establishment of the National Unification Council. In his address to the first session of the council, Mr. Li Denghui [Li Teng-hui] said: The establishment of the National Unification Council is not only an expression of our determination, but also marks the beginning of our action.

Dear listeners, the best way to see if the remark of a person or party counts is to listen to the words and then observe the deeds. There is an old motto: Doing is better than talking. This means that deeds are more important than words. With regard to the reunification of the motherland, the Taiwan authorities indeed have taken some action recently. For example, they decided to terminate the period of mobilization for the suppression

of the communist rebellion and to abolish the relevant temporary provisions next year. They announced that in the future they would not grant political asylum to plane hijackers from the mainland, but would send back the hijackers and the planes, and they agreed to the cooperative plan for repatriation of such hijackers by the Taiwan and mainland Red Cross societies. The Taiwan police sent back to the mainland (Wu Dapeng), a principal culprit in stealing money orders amounting to \$3.34 million. In particular, the Taiwan authorities agreed to let the Taiwan Olympic Committee dispatch a delegation to participate in the 11th Asian Games along with the mainland athletes, thereby winning glory for the Chinese nation. All these actions taken by the Taiwan authorities are beneficial to the exchange and cooperation between the two sides of the strait.

Nonetheless, we have to point out that the steps taken by the Taiwan authorities are too slow on the road toward the reunification of the motherland. What is more, sometimes they have vacillated; at other times, they have turned back and retrogressed. Trade and exchanges across the strait are flourishing more and more. This is a good thing. However, the Taiwan authorities have not only refused to encourage such activities, but to the contrary, have gone all out to dampen them. There are a number of proposals, such as the proposal to stop direct trade and to require licenses for indirect trade, the proposal on measures to control exports to the mainland, the proposal on precautionous management of indirect imports from the mainland, the proposal on tentatively discontinuing imports of agricultural and industrial raw materials from the mainland, and the proposal on strictly screening applications of businessmen to make indirect investments on the mainland. It is alleged that these proposals are aimed at setting up a norm for such activities. In reality, however, their purpose is to impose restrictions.

With regard to the exchange of travelers between the two sides, since November 1987 up to the present, there have been 1.6 million travelers from Taiwan to the mainland, while only 6,000 or 7,000 mainland people have visited Taiwan. The former is more than 200 times the latter. What a great difference! Even though the Taiwan authorities have enacted a set of regulations for handling applications by mainlanders for visits to Taiwan as if they wanted to change the state of affairs where exit from Taiwan is permitted, but entry is disallowed, they have stipulated that Communist Party members who want to visit Taiwan must sign a declaration of divorce from the Communist Party. They seemingly are opening up, but actually are closing their door.

Now, let us not talk further about this, but look at another issue. Perhaps, based on the mentality of content with the rule over the small part of the country, they have faced the mainland's reasonable reunification proposal of one country-two systems, first with the one country-two governments formula, and recently by one country-two regions. The one country-two systems proposal is not only conducive to the fulfillment of the great cause of

reunifying the motherland, but also can maintain existing social systems on both sides of the strait. It is a perfect proposal. Like one country-two governments, the one country-two regions formula is aimed at dividing China into two, thus perpetuating the state of division of our country. To put it bluntly, it is still the idea of one China-one Taiwan, or of two Chinas. If there is any difference between one country-two regions, and one country-two governments, the difference is that a geographical term is used in the place of a political term to cover up the two Chinas scheme. This cannot but make compatriots on both sides feel that the Taiwan authorities are saying much but doing little, or that they are saying one thing but doing another.

Dear listeners, perhaps you have noted that in the past few years the Taiwan independence movement has resurfaced and become rampant again on the island of Taiwan. The Democratic Progressive Party even has openly dished up a bill on the independence of Taiwan's de facto sovereignty in a vain attempt to sever at one stroke the blood, clan, geographical, and historical ties between the two sides of the strait. Though the audacity of those engaged in Taiwan independence activities is caused by their true nature, it does have something to do with the attitude taken by the Taiwan authorities. First of all, the Taiwan authorities are not truly opposed to Taiwan's independence, and all they do is to make a gesture. They talk a lot, but take no action and even shield or connive with those elements engaged in Taiwan independence activities. Taiwan independence activities have returned to the island from abroad, and have come out of hiding into the open. The authorities either turn a blind eye to these activities or deal with the elements involved by the methods of arresting and then releasing them, or sentencing and then forgiving them. They have invited the bigwigs of the Taiwan independence movement to attend the national affairs conference. In a

recent instance, they set a verdict on (Luo Yishi), an advocate of Taiwan's independence, saying that his activities were within the scope of freedom of speech and did not constitute a crime. Because the advocacy of Taiwan's independence is a form of freedom, the advocates, of course, have nothing to fear.

Dear listeners, the ancient book "Lu's Annals" states that nothing is worse than disagreement between deeds and words. This means the worst thing is failure to keep one's action in line with one's words. For a long time, the Chinese on both sides of the strait have been keeping a constant watch on the stance taken by the Taiwan authorities on the reunification of the motherland. The Taiwan authorities often have been criticized and blamed by the compatriots of Taiwan just because their deeds do not match their words.

If the establishment of the National Unification Council was based on the determination to correct past mistakes and truly to accomplish the great cause of reunification of the motherland, it will, of course, be supported by compatriots on both sides of the strait. What is worthy of attention is that an article published in the 11 October TAIWAN SHIBAO [TAIWAN SHIH PAO] revealed that the reason behind the establishment of the National Unification Council had something to do with power strife within the party. It said that while they are waving the flag of reunifying the motherland, their main consideration is to suppress the voice of objection within the party and remove the misgivings about the independence of Taiwan in the minds of outsiders. As can be seen, this is another ploy, the article added. If this is really the case, the Taiwan authorities will, as time passes, more easily lose the trust and support of people both inside and outside the party. Those who like to conduct political ploys often suffer from these ploys. How Taiwan's National Unification Council will act in the future remains to be seen by our compatriots.

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